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TODAY:
Style
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Shaky Yen Rattles Entire Region

Asian Markets Fall as Analysts Fear Fresh a Bout of Devaluations

By Philip Segal
International Herald Tribune

HONG KONG — The Japanese yen, falling farther and faster than almost anyone expected, darkened economic prospects across Asia on Monday, as economists began to talk not of an Asian slowdown or recession, but in some countries of outright depression.

As the dollar rose above the 140 yen barrier, with the yen at a seven-year low, the Japanese currency has already reached what just a few weeks ago had

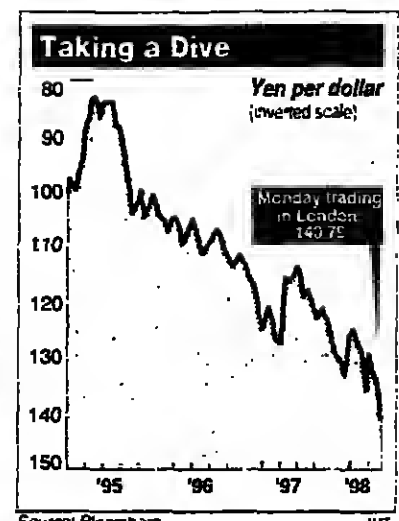
been the official forecast by many economists for its year-end level. Currencies across Asia dropped as the weakness of the yen raised the prospect of heightened Japanese trade competition with its neighbors as well as diminished Japanese investment in the region.

"The pace of contraction in the first quarter in many of these countries is unprecedented," said Sun Bae Kim, an economist at Goldman, Sachs & Co. in Hong Kong.

In Malaysia, Santander Investment said it expected the economy to contract

by as much as 5 percent this year alone. "The reality of a depression means a classic deflationary adjustment," a company report said, "which is what Asia is now experiencing as excess production capacity is wiped out." The speed of the yen's fall increased fears in particular that China would soon feel it has no competitive alternative but to devalue its currency, the yuan. This is an event that most economists say would push Asia into a new round of major currency devaluations.

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Source: Bloomberg

Nigerian Strongman Dies of Heart Attack

Abacha's Death May Open Way For a Return to Rule by Civilians

By James Rupert
Washington Post Service

ABIDJAN, Ivory Coast — Nigeria's military strongman, General Sani Abacha, died Monday, apparently of a heart attack. His death will open a power struggle within Africa's most populous nation that could open possibilities for returning the country to civilian rule.

General Abacha, 54, seized power in 1993. He had made few public appearances since he greeted Pope John Paul II in March.

State television said that Nigeria's ruling military council was meeting late Monday night. The report did not say whether the council would choose a successor.

There is no clear mechanism for succession, leaving top military officers to make ad hoc decisions. The internal politics of the Nigerian Army are obscure, with strong but hazy defined constituencies that will dispute whether the military should hand power back to civilian rule.

There was no immediate indication of who might succeed General Abacha.

The opposition coalition called for Chief Moshood Abiola, who is widely believed to have won the aborted 1993 vote and who is under detention, to be made head of state, Reuters reported.

"Abiola should be invited to head a government of national unity to organize a sovereign national conference and lead Nigeria to genuine democracy," said Gani Fawehinmi, leader of the Joint Action Committee of Nigeria.

General Abacha died at dawn, the army chief of staff, General Abdulsalam Abubakar, announced in late afternoon.

Earlier in the day, troops ringed the vast grounds of the presidential villa at the edge of the capital, Abuja, cutting off access to all but senior military officers. Journalists were summoned by top officials for a press conference, but when they arrived, they were turned away by the troops.

Nigeria's military has ruled the country for 28 of its 38 years of independence, developing a reputation for corruption and authoritarianism. "Most officers feel the military has been the biggest losers from military rule," Isawa Elaigwu, a political scientist who has taught officers for years at the Nigeria War College, said last month.

Still, "there are officers, both junior and senior, who are looking for the ego trip and the power and wealth" that go to those who reach the top, Mr. Elaigwu said.

Technically, General Abacha ruled Nigeria as the chairman of the Provisional Ruling Council, a committee of top officers. His deputy on the council, Lieutenant General Oladipo Diya, was arrested in December and charged with plotting a coup. Last month, a secret military tribunal sentenced General Diya and several other top officers to death.

Although General Abacha had pledged to hand the government over to an elected civilian administration, in



General Sani Abacha, in a 1993 file photo shortly after he took power.

April he became the only nominated candidate for the presidency.

Opposition to General Abacha's rule has been mounting in recent months with the prospect that his junta might not honor its pledge to hand rule over to civilians.

The Associated Press reported from Lagos:

Even in a country looted and battered by hard-line military regimes, General Abacha stood out as icy and unfeeling, willing to flout world opinion in his quest for absolute power.

Critics, be they Nobel laureates, former heads of state, or environmental activists, faced certain arrest and sometimes execution if they persisted in challenging General Abacha and the military government that emerged from his November 1993 coup.

Increasingly paranoid as opposition to his rule increased, General Abacha spent his final years a pariah to the world, blocked by diplomatic sanctions from getting a visa to seek medical treatment in the West.

He was a recluse in his oil-rich but impoverished country. He rarely traveled, fearing a coup in his absence, and when he visited neighboring countries it was usually for less than 24 hours. He never gave interviews and appeared in public with his eyes hidden behind dark glasses.

Born Sept. 20, 1943, in the northern state of Kano, he was a career soldier, enrolling in the army as an infantryman at the age of 18 and attending military training colleges in the United Kingdom and United States as well as at home.

He became a familiar figure to Nigerians watching a succession of military governments come and go: When generals ousted Nigeria's last civilian government in 1983, it was General

See ABACHA, Page 8

As Seen Up Close, The Crisis Is This: For a Child to Eat, Her Mother Dies

By Nicholas D. Kristof
New York Times Service

BAN WAN YAI, Thailand — Sitting on the ground beside her hut, Bangon Phailak chopped up wild plants for lunch and pondered a wrenching question: What does her 4-year-old daughter need more, food or a mother?

Mrs. Bangon, a gentle woman whose soft face is framed by thick black hair, explained that the family cannot afford both. As a result of the Asian financial crisis, her husband has lost his job as a construction worker, so the family earns only a trickle of cash through odd jobs in this village in northeast Thailand.

That money can be used to buy rice and milk for the little girl, Saiyamon, who has become anemic and malnourished. Or Mrs. Bangon can try to save the tattered small-denomination bills to pay for a stomach operation that she needs to save her own life.

For now, Mrs. Bangon has chosen to spend the money on Saiyamon. She herself has already lived for 32 years and, she reasons, what would be the point of preserving a mother at the cost of a child?

Seen up close in villages, the Asian financial crisis is not a conundrum of currency pegs and credit crunches and various imponderables. In households like Mrs. Bangon's, it is as immediate as a typhoon, and rather more deadly.

"A year ago, at least we had enough rice," Mrs. Bangon said softly. "These days, we don't even have enough to eat."

In the 11 months since the crisis exploded in Thailand and began spreading through the region, the most prominent victims have been the bumbled tycoons in the big cities, and they have indeed fallen farthest. But they are neither the most common victims nor the most desperate.

The worst off are those like Mrs. Bangon, who were already at the margins of society — those who had almost nothing before and who now, somehow, have even less.

A lag in the data means that there are few statistics so far on the social impact of the crisis. Most evidence of the human cost is anecdotal, gleaned from travels through remote areas in Asia and from the findings of rural clinics and aid workers like field

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Bangon Phailak watching her 4-year-old daughter, Saiyamon, play in their village in Thailand. The mother is facing a choice between lifesaving surgery for herself or food for her child.

A Crushing Blow to Japanese Ego

Plummeting Currency Marks Symbolic End of Go-Go Economy

By Mary Jordan
Washington Post Service

TOKYO — For years along Walkiki Beach, the Japanese language has been as common as swaying palms. Signs in store windows say "yen O.K." and even the waiters in pizza parlors can speak passable Japanese — a handy skill, because, until recently, a third of Hawaii's tourists were from Japan.

But things are noticeably quieter these days, as many of the islands' best customers stay home, spend less or go to cheaper Asian destinations. The same trend is noted at other favorite spots for Japanese tourists, including Australia, where hotels, resorts and even duty-free shops that could once bank on Japanese shoppers are hurting.

A key reason: the value of the Japanese currency, the once-almighty yen, has plummeted in value against

the U.S. dollar. On Monday, the dollar rose to a seven-year high of 140.60 yen in Tokyo. The value of the yen has slid more than 40 percent in just three years.

"This is a pretty huge drop," said Richard Jerram, economist with ING Barings in Tokyo. In this decade, he said, "the yen has been the only major currency with this kind of fluctuation."

This is not the first time the Japanese yen has been weak compared with the dollar, and the devaluation is not all bad news for Japan. In fact, exports of cars and videocassette recorders and other goods are booming. But the dramatic change in value of the currency of the world's second-richest country, to a level where some foreigners here now describe the yen as "cheap" and "soft," marks a symbolic end to the Japanese go-go days. For years after the economy began to slump in

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U.S. Moves to Sue Intel, Saying It Bullies Rivals

FTC Accuses Chipmaker of Antitrust Violations

By Brian Knowlton
International Herald Tribune

WASHINGTON — The Federal Trade Commission voted Monday to sue Intel Corp., the California company that dominates the world market for microprocessors, saying that it had used its might in the market to bully smaller

rivals into sharing trade secrets in violation of antitrust law.

The FTC charged that Intel had illegally used its market power when it denied three customers — Intergraph Corp., Digital Equipment Corp., and Compaq Computer Corp., which is the largest maker of personal computers in the world — continuing access to technical information they needed to develop systems based on Intel microprocessors. The agency said Intel had otherwise sought to punish them for refusing to license key patents on its terms.

"If Intel can use its monopoly position in the market for microprocessors to prevent other firms from enforcing their own patents," said William Baer, director of the FTC Bureau of Competition, "other firms will have little incentive to invent new features to challenge Intel's dominance."

Intel has annual worldwide sales of \$20.8 billion. The company's chief executive officer, Craig Barrett, in office less than a month, promised a vigorous legal fight.

"We believe our actions in the marketplace are totally legal," he told reporters during a Tokyo visit, Bloomberg News reported.

Mr. Barrett last month succeeded Andrew Grove, long the driving spirit behind the fast-growing company.

The FTC action had been expected, mirroring the recommendation a week earlier of staff investigators. Yet the 3-to-1 vote echoed loudly, coming weeks after the Justice Department filed antitrust proceedings against Microsoft Corp., the other giant in the computer industry, and reinforcing the sense that government antitrust officials are troubled by a

The Dollar			
	Monday @ 4 P.M.	previous close	
New York			
DM	1.7795	1.7743	
Yen	140.87	139.75	
FF	5.9885	5.9495	
Pound	1.834	1.8347	
The Dow			
	Monday close	percent change	
+31.89	9088.9	+0.35%	
S&P 500			
+1.86	1115.72	+0.17%	

Newsstand Prices			
Andorra	10.00 FF	Lebanon	LL 3,000
Antilles	12.50 FF	Morocco	16 Dh
Cameroon	1.800 CFA	Qatar	10.00 QR
Egypt	5.50 FF	Réunion	12.50 FF
France	10.00 FF	Saudi Arabia	10 SR
Gabon	1.100 CFA	Senegal	1.100 CFA
Italy	2.800 Lira	Spain	225 Ptas
Ivory Coast	1.250 CFA	Tunisia	1.250 Dh
Jordan	1.250 JD	U.A.E.	10.00 Dh
Kuwait	700 Fils	U.S. (M. Eur.)	\$1.20



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WINNER — Joseph (Sepp) Blatter celebrating his election as president of FIFA, soccer's governing body, in Paris on Monday. Page 22.

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AGENDA

Wells Fargo to Merge With Midwest Bank

Wells Fargo & Co. and Norwest Corp. said Monday that they would merge in a \$34 billion deal that would create a U.S. banking powerhouse with branches or outlets in all 50 states.

The combination of Wells Fargo and Norwest is to have about \$191 billion in assets, more than 90,000 employees,

about 20 million customers and 5,777 financial-services outlets worldwide. It would be the sixth-largest U.S. bank if all other bank combinations announced this year are completed.

The combined company will keep the Wells Fargo name and its San Francisco headquarters. Page 15.

A World Cup Tribute for Saint Laurent

The start of the World Cup soccer championship Wednesday kicks off the monthlong fest that will lead to the apotheosis of Yves Saint Laurent's career. The French fashion designer will stage a 12-minute parade at the final of the championship. Viewed by 80,000

spectators and an estimated television audience of 1.7 billion, the event will be the largest fashion show in a global universe. The outfits have been chosen to express creative highlights in Mr. Saint Laurent's 40-year career. (Suzy Menkes reports, Page 13)

Air France Stays Grounded on Eve of Cup

The Air France pilots' strike entered its second week Monday with talks at a standstill and management reportedly determined to impose salary cuts.

With positions hardening on both sides, it appeared unlikely that the

World Cup soccer tournament starting Wednesday could count on the participation of its official airline. Air France said it would fly the 32 teams, as promised, but fans are looking for other means of transport. Page 8.

EU and NATO Act to Raise Pressure on Milosevic

By William Drozdiak
Washington Post Service

BERLIN — The European Union imposed fresh sanctions on Serbia on Monday as NATO commanders accelerated plans for military intervention to prevent fighting in Kosovo between Serbian forces and ethnic Albanian guerrillas from engulfing neighboring countries.

The 15 nations of the European Union banned new investment in Serbia and froze its foreign assets to punish Belgrade for its brutal crackdown against ethnic Albanians, who account for 9 out of 10 inhabitants in Kosovo Province. At least 250 people have been killed since February when special police units from

the rump Yugoslavia, now composed of Serbia and Montenegro, launched their campaign to crush the Kosovo Liberation Army.

The EU's foreign ministers, meeting in Luxembourg, said that Serbia's campaign to suppress ethnic Albanian rebels went "far beyond what could legitimately be described as a targeted anti-terrorist operation."

The ministers said President Slobodan Milosevic of Yugoslavia bore "special responsibility" for the excessive use of force that has driven thousands of ethnic Albanians from their homes in what they called a new wave of "ethnic cleansing."

Foreign Secretary Robin Cook of Britain warned Mr. Milosevic to "back off" or confront an international community that, he said, will not accept a

repetition of the ethnic warfare that wracked Bosnia for more than four years.

"Modern Europe will not tolerate the full might of an army being used against civilian centers," he said. [The United States said Monday that it was moving toward reapplying economic sanctions on Serbia. Reuters reported from Washington, "We are clearly moving in the direction of reimposing sanctions," the State Department spokesman, James Rubin, said.]

In Brussels, NATO officials said that defense planners were hastily preparing a series of military options that could be presented to alliance defense ministers this week. The options include the possible preventive

See KOSOVO, Page 8

Unintentional Martyrs / Deaths on an Indonesian Campus

Killings of 4 Students Galvanized Uprising

By Keith B. Richburg
Washington Post Staff Writer

JAKARTA — Elang Mulya Lesmana's parents first noticed changes in their son at the beginning of April. He started reading newspapers, asking questions about the country's economic decline, becoming more politically aware. Then he brought out his dark blue university blazer and asked his mother to sew on all the school patches, declaring, "Starting tomorrow, I'm going to wear this every day!"

The one day Mr. Elang forgot his jacket was May 12, the day of the big demonstration here at Trisakti University, which had been called to demand the end of President Suharto's 32-year rule. When the shooting started, he must have stood out at the top of the school steps, a sole T-shirt amid a sea of dark blue blazers, waving his arms and directing the other students to safety. That's when a sniper's bullet ripped through his chest.

Mr. Elang, 19, was one of four Trisakti students killed that day by unseen gunmen; three others were wounded, two seriously. Hery Hartanto, 21, was killed by a bullet in the back after he paused during a lull in the chaos to wash the tear gas from his face and hands with water from a plastic bottle. Henriawan, 20, was shot twice while running, once in the back and once in the neck; he managed to make it to the base of a flagpole in the center of the campus to sit down and die. Hafidhin Royan, 21, a quiet young man who had never gotten involved, died instantly when a bullet pierced his head, just above the ear.

More than any other single incident during months of political and economic turmoil, the shootings at Trisakti University led to the toppling of Mr. Suharto and the emergence of a new political order in Indonesia. The slayings triggered rioting here in the capital that left more than 1,000 people dead, and they led the armed forces to decide that Mr. Suharto had to go before the security situation in the capital became untenable. And they added new urgency to demands across Indonesian society for a more democratic political system.

A reconstruction of the Trisakti shootings offers a revealing look at how and why Mr. Suharto's government collapsed so suddenly and raises questions about the role of powerful military commanders that still haunt Mr. Suharto's successor, President B.J. Habibie. The stories of the slain Trisakti students show that these four average young men from middle-class families, like many young people across this archipelago of more than 200 million people, were swept up in a rapid political awakening this spring that transformed their lives and ultimately made them unintentional martyrs.

An investigation of the shootings suggests strongly they were a deliberate act supported by hard-line military elements opposed to reform. Interviews with students at the scene that day, including two of those still hospitalized — as well as friends, family members, human rights investigators and diplomats — indicate the shootings were not random acts by security forces firing blindly into a crowd. Almost all the victims, killed and wounded, were shot in the head, neck, chest or back.

"It was not a sudden burst of fire," said a Western diplomat who also has studied the incident. "It was slow, deliberate fire, for over an hour, and that can be proven." He added, "You're talking about targeting — that counts for the high number of kills for the number of wounded."

On Saturday, the military announced it was charging two police officers, First Lieutenant Agus Tri Heryanto, 29, and Second Lieutenant Pariyo, 30, of the police anti-riot brigade, with disobeying orders and not controlling their troops. An internal military

investigation has blamed the police for using live rounds, instead of rubber bullets, when dispersing the students.

But police officials have denied issuing any live rounds to officers on May 12, and defense lawyers and other Indonesian sources said they suspect the police are being made the scapegoats for a military unit that was really behind the Trisakti slayings.

Several sources said they suspect elite units of the army special forces, called Kopassus, of masterminding the incident because of the skill needed to carry out the shootings. Those units were once under the command of Lieutenant General Prabowo Subianto, a tough and ambitious officer who is also Mr. Suharto's son-in-law.

In March, General Prabowo was promoted to head the much larger Army Strategic Reserve Command in Jakarta, but he maintained his influence over the Kopassus forces he helped train and equip, with assistance from the U.S. military.

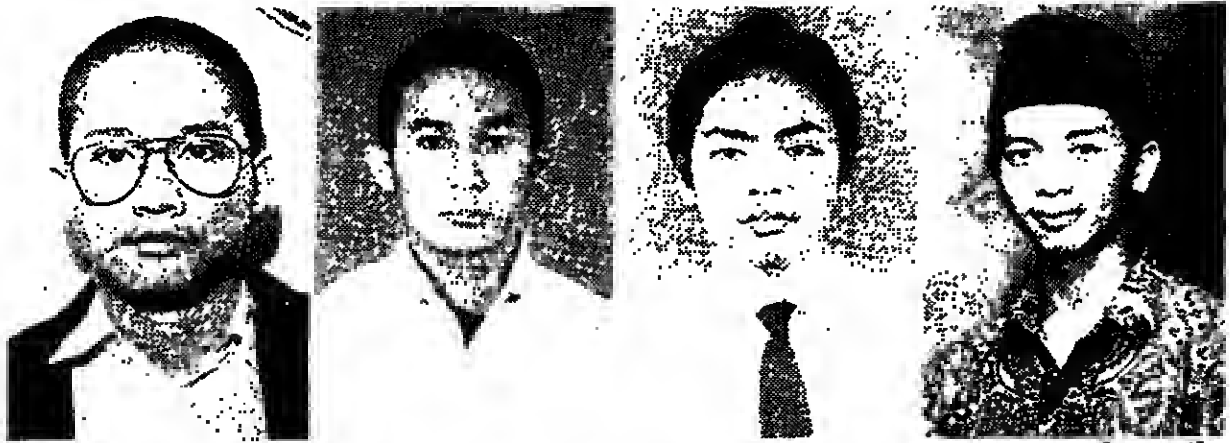
"This was not an unfortunate act," said Marzuki Damsman of the government-sponsored National Commission on Human Rights. "There was a

move their marches off campus and into the streets of Jakarta."

The demonstration was to begin in the late morning of May 12. The protesters were becoming bold — encouraged, many believe, by the armed forces' relative leniency even as they pushed their rallies farther beyond the campus gates. This time, the students planned to take their protest a few kilometers down the highway to the national parliament building. Mr. Suharto was out of the country, attending a conference in Cairo.

Just before 11 A.M., the red-and-white Indonesian flag in the center of campus was lowered to half-staff, and the students, joined by faculty members, began singing the national anthem. There was a moment of silence, a sign of respect for the country's poor and suffering, followed by a series of fiery speeches. The crowd was getting revved up for the march.

For hours, the students alternately negotiated with the police to be allowed to move and sat on the pavement in protest. They made speeches, sang patriotic songs unable to move forward, refusing to



The dead, from left: Henriawan, who collapsed at the flagpole; Elang Mulya Lesmana, who guided students to safety; Hery Hartanto, who was washing away tear gas when shot; and Hafidhin Royan, a newcomer to protests.

great deal of planning. The high degree of skill that went into Trisakti and the sophisticated weaponry indicates only certain units which have that," he said. He added that witnesses have come forward suggesting that Kopassus was behind the attack.

General Prabowo was relieved of his strategic reserve command after Mr. Suharto resigned May 21, but he remains in the army, teaching at a staff college in Bandung, southeast of Jakarta. Five days after the Trisakti shootings, and before his reassignment, General Prabowo visited the home of one of the slain students, Hery Hartanto. As Mr. Hartanto's startled parents looked on, General Prabowo took a copy of the Koran, the Muslim holy book, held it above his head and swore before God that he did not order the Trisakti slayings.

"It was the first time in my life I've ever seen anything like it," said Mr. Hartanto's father, Sjahir Mulyo Utomo, 70, a retired army second lieutenant. After that display, he said, he now believes General Prabowo was not involved.

SINCE the beginning of the year, Indonesian students had been mounting steadily larger protests, demanding that Mr. Suharto resign. The unrest was touched off by the collapse late last year of the Indonesian currency, the rupiah, which forced a bailout by the International Monetary Fund and induced a severe economic crisis marked by widespread layoffs, soaring prices and the collapse of the banking system.

But the students were not just protesting prices; they were demanding that Indonesia embrace democracy after decades of Mr. Suharto's authoritarianism. Trisakti University, a private institution that attracts students from many leading Indonesian families, had recently become a focal point of the demonstrations; students there were pressing to

retreat. They held their ground through a brief but heavy downpour.

Around 4:30, the students began to file back to campus. Two faculty administrators apparently had brokered a deal with the police to end the standoff peacefully. The students would retreat to campus, and the police would move back their line.

Then, at about 5, the police charge began. They fired tear gas, swung their batons at the retreating students and opened fire with rubber bullets. The slow move back to campus became a stampede.

Mr. Henriawan made it as far as the campus gates. The first bullet hit him in the right side of the neck, twisting his body around. The second bullet caught him in the middle of the back. Once on campus, Mr. Henriawan was able to walk as far as the flagpole; a friend saw him sit down on the concrete base and keel over.

Hery Hartanto thought he was already safe because he was back on the university grounds. He had run fast and far, and he and a friend stopped at the foot of the stairs in front of the M Building to catch their breath and wash the tear gas from their faces with a bottle of water when Mr. Hartanto fell forward suddenly.

"Oh, my God!" he cried. "I've been shot in the leg!" The friend looked at him and said, "It's not your leg." The bullet had gone straight into Mr. Hartanto's upper back lodging near his heart.

The students realized quickly that some of the bullets flying into their campus were not rubber, but lethal ammunition. Mr. Elang took responsibility for making sure others got to safety. He climbed to the tile expense at the top of the M Building steps and shouted to the others to run inside.

"Get in! Get in! As fast as you can!" he was shouting, waving both hands. Then the bullet entered his chest.

Suharto Respected Now Only by His Pet Parrot

By Seth Mydans
New York Times Staff Writer

JAKARTA — Only his pet parrot still calls him "Mr. President."

Suharto, the man who led Indonesia with an iron hand for 32 years, celebrated his 77th birthday Monday in isolation and disrepair at his leafy home in central Jakarta, the Jakarta Post newspaper reported.

Although Mr. Suharto viewed himself as a father to his nation, it appears that his power and respect were mostly on the fear he was able to instill. Since his resignation 18 days ago, his countrymen seem to have shaken off his memory with little sentiment.

The acolytes who sought his company now shun him as the autocratic political system he created disintegrates in the country's new atmosphere of openness and as the financial empire he built begins to crumble.

"Since he quit as president on May 21, few people sincerely want to meet him," the newspaper said, quoting an unidentified official who had worked with Mr. Suharto since the 1970s. "It's because closeness to Mr. Suharto, which often meant rewarding careers or lucrative business deals in the past, has become a headache in this reform era."

A leading journalist who observed him for years said Mr. Suharto was reaping the harvest of a career based on personal manipulation.

"Suharto did not have a lot of friends," the journalist said. "He always tried to buy people. He was a very cynical person."

Unlike Ferdinand Marcos of the Philippines, who remained surrounded by obsequious retainers in his exile in Hawaii after his ouster in 1986, nobody calls Mr. Suharto "Mr. President" any more, the Post reported. His only reminder of past glory is his trained parrot, which screams, "Good morning, Mr. President," whenever it sees him.

His contingent of presidential security guards will soon be reduced in number, the newspaper said. Even now, the unidentified official said, "he is no longer president; they do not give him a military salute any more."

And when he ventures out, the official said, "his car has to stop at red lights." But he rarely leaves his home, according to local press reports. A relative said he plays golf and jogs and a newspaper reported that he had been seen visiting a mosque.

Most of the time, the Post said, Mr. Suharto sits at home watching television and reading newspapers, a pastime that apparently upsets him. Television, filled with free-wheeling political chatter of a style Mr. Suharto would never have brooked and newspapers reveal in stories castigating him and his family for accumulating billions of dollars in wealth. The Post said that Mr. Suharto was considering holding a news conference — almost unheard-of during his presidency — to set the record straight.

Public clamor has grown for him and his family to turn over their wealth, and student demonstrators are demanding that he be put on trial.

His close friend and successor, President B.J. Habibie, has called for moderation, urging his countrymen to look to the future rather than to the past. But Mr. Habibie himself is under pressure to

hand over power to a new leader because of his close association with the past, and investigations of Mr. Habibie's own wealth have also begun.

There are also questions about how long Mr. Habibie can keep his grip on power in this newly raucous society where opposition parties are being formed and political demonstrations are being held almost every day.

In the latest outbreak of violence, as many as 10,000 labor demonstrators clashed with the police Monday in Surabaya, the country's second largest city. At least five police officers and three protesters were reportedly hospitalized.

Starting his demands in broken English, one demonstrator seemed to sum up the national mood: "Money, money, money," he said. "No work. No Habibie."

U.S. Envoy Resists Order by Belarus To Vacate Home

The Associated Press

MINSK, Belarus — Belarusian authorities ordered diplomats from 22 countries to vacate their homes for repairs and tried Monday to weld shut a gate to the American residence. Ambassador Daniel Speckhard of the United States said.

The government served notice in April that it wanted to overhaul water and sewage pipes in the post-World War II-era complex on the outskirts of Minsk, the Belarusian capital. Mr. Speckhard said at a news conference.

Mr. Speckhard took reporters to the ambassador's residence in the diplomatic complex at Drodzy and arrived to find two workers and a policeman trying to weld shut the gate. A small American flag was lying on the ground. The workers left when Mr. Speckhard protested.

The ambassador said the government received a diplomatic note from the Foreign Affairs Ministry that it planned to start the repairs Wednesday, the day his parents are scheduled to arrive for a visit. The note said the repairs could not begin until the residences were empty.

The ambassador said the United States has occupied the residence since 1992, the year after Belarus gained independence, with the collapse of the Soviet Union, and has since spent \$300,000 on repairs.

Under international law, ambassador's residences are considered foreign territory, and governments have no right to enter them without permission or insist that diplomats leave against their will.

Mr. Speckhard appealed to the president of Belarus, Alexander Lukashenko, to rescind the order.

The Belarusian Foreign Ministry told the Interfax news agency it proposed that diplomats move either to new buildings in central Minsk or begin building new accommodations near Minsk.

TRAVEL UPDATE

World Cup Parade to Block Traffic

PARIS (IHT) — Much of central Paris, from Opera to Invalides, has been declared off-limits to private traffic Tuesday to facilitate preparations for the carnival parade that will kick off the World Cup later in the day.

The police also warned drivers to avoid St. Denis, where the opening match of the tournament between Brazil and Scotland will take place Wednesday. The stadium is just off the A1 highway between Paris and Charles de Gaulle Airport. The police said traffic in western Paris would be intense during games played at the Parc des Princes stadium.

Seoul Subway Union Calls for Strike

SEOUL (AP) — Seoul's subway union threatened Monday to send its 9,000 members out on strike this week to press for pay increases and better working conditions.

The union said the indefinite strike would begin Wednesday unless management accepted its demands for a 7.8 percent pay hike and a reduction in working hours.

About 275,000 people attended the unofficial inauguration of Europe's longest suspension bridge over part of the Great Belt waterway between western and eastern Denmark. Ritzau press agency reported.

On June 14, Queen Margrethe will officially inaugurate the 18-kilometer (11-mile) link between the Zealand and Funen Islands. (Reuters)

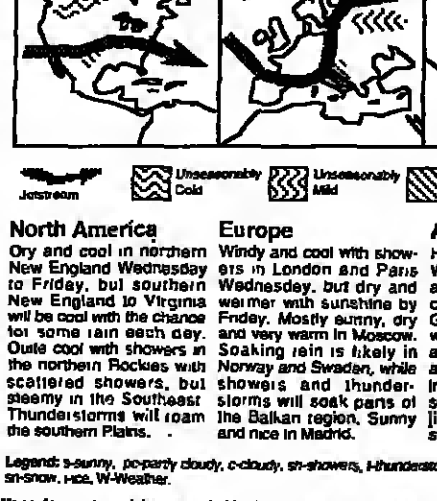
Tough new traffic laws have lowered the number of highway accidents and fatalities in Portugal, but it still has the worst road death record in the European Union, Prime Minister Antonio Guterres said Monday. (AP)

Europe

City	High	Low	High	Low
Algarve	25/24	19/15	27/26	18/14
Amsterdam	20/18	12/11	19/18	10/9
Ankara	24/15	9/4	25/17	9/4
Athens	23/12	15/12	21/12	15/12
Bangkok	24/15	19/16	27/17	12/13
Berlin	23/11	10/9	22/10	10/9
Bombay	29/21	18/14	32/20	18/14
Buenos Aires	23/12	15/12	21/12	15/12
Calcutta	29/21	18/14	32/20	18/14
Cairo	24/15	9/4	25/17	9/4
Canton	24/15	9/4	25/17	9/4
Cebu	24/15	9/4	25/17	9/4
Colon	24/15	9/4	25/17	9/4
Delhi	24/15	9/4	25/17	9/4
Dhaka	24/15	9/4	25/17	9/4
Dubai	24/15	9/4	25/17	9/4
Hankow	24/15	9/4	25/17	9/4
Hong Kong	24/15	9/4	25/17	9/4
Kobe	24/15	9/4	25/17	9/4
London	24/15	9/4	25/17	9/4
Lyons	24/15	9/4	25/17	9/4
Manila	24/15	9/4	25/17	9/4
Medan	24/15	9/4	25/17	9/4
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Mumbai	24/15	9/4	25/17	9/4
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Osaka	24/15	9/4	25/17	9/4
Paris	24/15	9/4	25/17	9/4
Perth	24/15	9/4	25/17	9/4
Rangoon	24/15	9/4	25/17	9/4
Reykjavik	24/15	9/4	25/17	9/4
Rio de Janeiro	24/15	9/4	25/17	9/4
Rome	24/15	9/4	25/17	9/4
Sao Paulo	24/15	9/4	25/17	9/4
Shanghai	24/15	9/4	25/17	9/4
Singapore	24/15	9/4	25/17	9/4
Taipei	24/15	9/4	25/17	9/4
Tokyo	24/15	9/4	25/17	9/4
Yokohama	24/15	9/4	25/17	9/4

Weather

Forecast for Wednesday through Friday, as provided by AccuWeather.



Asia

City	High	Low	High	Low
Algeria	25/24	19/15	27/26	18/14
Amsterdam	20/18	12/11	19/18	10/9
Ankara	24/15	9/4	25/17	9/4
Athens	23/12	15/12	21/12	15/12
Bangkok	24/15	19/16	27/17	12/13
Berlin	23/11	10/9	22/10	10/9
Bombay	29/21	18/14	32/20	18/14
Buenos Aires	23/12	15/12	21/12	15/12
Calcutta	29/21	18/14	32/20	18/14
Cairo	24/15	9/4	25/17	9/4
Canton	24/15	9/4	25/17	9/4
Cebu	24/15	9/4	25/17	9/4
Colon	24/15	9/4	25/17	9/4
Delhi	24/15	9/4	25/17	9/4
Dhaka	24/15	9/4	25/17	9/4
Dubai	24/15	9/4	25/17	9/4
Hankow	24/15	9/4	25/17	9/4
Hong Kong	24/15	9/4	25/17	9/4
Kobe	24/15	9/4	25/17	9/4
London	24/15	9/4	25/17	9/4
Lyons	24/15	9/4	25/17	9/4
Manila	24/15	9/4	25/17	9/4
Medan	24/15	9/4	25/17	9/4
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Rio de Janeiro	24/15	9/4	25/17	9/4
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Sao Paulo	24/15	9/4	25/17	9/4
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Singapore	24/15	9/4	25/17	9/4
Taipei	24/15	9/4	25/17	9/4
Tokyo	24/15	9/4	25/17	9/4
Yokohama	24/15	9/4	25/17	9/4

North America

ACROSS	
1 Order gets	21
5 Shift	23
9 Blackmore heroine	24
14 Salon (fr.)	25
19 Capital of Latvia	26
20 Winter sports	27
17 Meat machine	28
18 Journey to Calcutta	29
19 5 1/2 sec.	30
20 Best picture - 1987	31
23 Die _____	32
Admiral: _____	33
24 Year with _____	34

Solution to Puzzle: (1987)

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WED	WED	WED	WED
WED	WED	WED	WED
WED	WED	WED	WED

THE AMERICAS

Gun Lobby Adds Some Firepower

National Rifle Association Elects Charlton Heston as Leader

By Michael Janofsky
New York Times Service

PHILADELPHIA — Weary of being seen as an extremist, right-wing organization that is out of touch with mainstream America, the National Rifle Association is going on the offensive.

From the election of Charlton Heston as its next president on Monday, to a slick new advertising campaign starting later this month, the country's largest gun-owners' organization, with 2.8 million members, contended at its annual convention this weekend that lazy prosecutors, lenient judges, gratuitous television violence and irresponsible par-

ents cause more problems in America than guns.

The group also began promoting the notion that gun owners are ordinary, hard-working Americans, like the members of the Ryker family of Springfield, Oregon, whom Mr. Heston hailed at a banquet as "American heroes." Jacob Ryker, 17, is a high school wrestler who on May 21, tackled a teenage gunman who killed two students and injured 23, including Mr. Ryker, at Thurston High School in Springfield.

While these are not new concepts for an organization that supports tighter enforcement of criminal law rather than further restrictions on gun ownership as

a way to reduce crime, the sales pitch is changing. And with a celebrity like Mr. Heston, who was the group's first vice president, leading the organization, officials say they have their best opportunity in years to get a fair hearing from the public.

"The great thing about Charlton Heston is that he becomes the megaphone to get our message out, a message that is not being heard right now," Wayne LaPierre, Jr., the group's executive vice president, said in an interview Sunday.

"We have been victims of image manipulation," he added, referring to the press. "It has been a long and slow process, but it has become more bitter and demonic in recent years. It's wrong, and it's inaccurate, and that sticks in the craw of our members more than any other single point. It outrages Charlton."

The three-day convention has played out against a backdrop of protests by gun-control advocates in Philadelphia, where handguns have been used in most of the city's homicides, and written pleas to Mr. Heston from gun-control advocates like Senator Robert Torricelli, Democrat of New Jersey, who asked for the group's support for new measures to protect children from shootings.



Ashley Higgins, 2, checking out the firearms with her family at the NRA convention in Philadelphia. Her father, Ed, is a member of the organization.

Robert and Linda, standing close by, he said softly in closing. "Our country — and our NRA — is proud to claim them."

The audience of 1,600 could not get to their feet to applaud fast enough.

But as the rifle association embarks on its latest efforts at spin — even trying to use a school shooting to its advantage — officials are banking on more than Mr. Heston's celebrity and passion to balance the scales of public opinion.

As the keynote speaker who preceded him, Senator Trent Lott, Republican of Mississippi and the majority leader, offered the audience both a psychological and political boost, saying he was "tired of being on the defensive" about the right to own a gun. He assured

the crowd, saying, "You are the mainstream of America, and anyone who portrays you as something other than that shows how far out of the mainstream they are."

Mr. Lott struck other chords by vowing to oppose any efforts to tighten gun-control laws and advocating more gun ownership as a way to reduce violent crime. He proposed using police stations as "self-defense centers" to reach the proper use of guns and campus Reserve Officer Training Corps programs to educate students about gun use.

"Everyone is scared except the criminals," Mr. Lott said. "The way to change that is give the criminals something to be afraid of. That something is a well-armed public."

POLITICAL NOTES

Republicans' Hold On House at Risk

WASHINGTON — Midway through the 1998 campaign, the Republican Party's 11-seat hold on the House of Representatives may be in jeopardy, giving Democrats the opportunity to regain some of the ground they lost in 1994, an examination of polling data, fundraising and voting trends in competitive districts indicates.

But analysts in both parties suggest that Democrats will need everything to break their way if they are to retake the House. Barring any dramatic upheaval or national tide in one direction or the other, the most likely scenario is a virtual deadlock in the chamber.

Simply holding their own this year would be a historic feat for the Democrats. Only once since the Civil War has the president's party picked up congressional seats in a midterm election. But Democrats see their prospects enhanced by President Bill Clinton's low popularity ratings, a dearth of legislative activity by the Republican majority and a series of rifts in the party.

Republican leaders say their bulging bank accounts, popular governors and traditional turnout advantage will keep them in power.

"It's going to be a very close election," said Ralph Reed, a Republican consultant. "The best case for Republicans is they win 10 seats, worst case we lose the House. We'll probably hold it by plus or minus five seats." (WP)

Clergy Lobbies Clinton on China

WASHINGTON — From Tibetan Buddhists to Roman Catholics to evangelical Christians, a broad array of religious leaders is urging President Bill Clinton to use his summit meeting in Beijing this month to press the Chinese government to end the repression of religious believers there.

Religious persecution abroad has increasingly become a major cause of concern among members of the U.S. clergy, many of whom say that China is one of the most consistent violators of religious freedom.

Now rights advocates long concerned about the Chinese occupation of Tibet have joined forces with Christian clergy pushing for more freedom for Chinese churchgoers.

More than 200 U.S. religious leaders have signed a letter to the president asking him to put pressure on the Chinese government to release all religious prisoners, to rescind decrees forcing Christian churches to register with the government and to open negotiations about the future of Tibet with the Dalai Lama.

"This summit," the religious leaders wrote, "will certainly have great benefits for future economic and trade relations between the United States and China. As important as these issues are, however, human rights, and religious liberty in particular, must not be ignored." (NYT)

Quote/Unquote

Jack Quinn, former White House counsel, on allegations that the Clinton administration is delaying the Starr investigation and a report to Congress on possible impeachment: "I would like, frankly, as a political matter, nothing better than to see this in the House of Representatives right now. I think if it were, the Republican control of the House would be in jeopardy." (WP)

Philadelphia Primes for Fight

Tired of Blood on the Streets, Mayor Targets Arms Industry

PHILADELPHIA — Weary of the 400 gun deaths each year in his city's ragged inner-city neighborhoods, Mayor Ed Rendell girded himself for a showdown with the leaders of the gun industry.

First, he threatened a lawsuit to hold gun manufacturers liable for the blood on the streets. Then he took a train to Washington and, his voice dropping low and husky, let Smith & Wesson, Glock and Beretta know just what their guns do "to the heart and soul and very fabric of a great American city."

"One way or another in Philadelphia," he told a gathering of gun industry executives in April, "we will do anything, we will try anything to reduce the carnage."

Big-city mayors and gun makers met Monday to discuss urban gun violence — and try to avert a lawsuit.

Mr. Rendell's lawyers have spent months drafting the lawsuit, taking a page from anti-tobacco crusaders. Courts, they say, should hold man-

ufacturers liable for the costs of gun violence — and the price tag is \$58 million a year, for everything from police expenses to victims' support to cleaning blood off the streets.

Gun manufacturers and defenders scoff at the idea. So far, the city has not yet pulled the trigger on the lawsuit. All sides say they want to avoid a court battle.

Mr. Rendell, a Democrat considering a run for state governor, has appointed an official to deal with gun policy. State lawmakers want to crack down on people who buy guns in bulk and then resell them to the criminals.

The meeting Monday brought together top executives from Smith & Wesson, Glock Inc. and O.F. Mossberg, representatives from the National Conference of Mayors, and the American Shooting Sports Council, a manufacturers' trade group.

Both the American Shooting Sports Council and the National Rifle Association oppose new gun controls and say the police and prosecutors need to better enforce existing laws.

Lawyer Sees 'Chilling Effect' of Starr's Quest for His Notes

Compiled by Our Staff from Dispatches

WASHINGTON — The office of the independent counsel argued Monday before the Supreme Court that the lawyer for Vincent Foster should be ordered to turn over confidential notes of conversations with his client, who subsequently committed suicide, and even to respond to questions about what he learned in conversations with him.

Mr. Foster, a White House deputy counsel and close friend of President Bill Clinton and his family, committed suicide in July 1993.

James Hamilton, who represented Mr. Foster until his death, said any decision forcing him to turn over the notes "would have a strong chilling effect in client candor."

"People do care about their reputations and family and friends," he told the justices in arguing that the attorney-client privilege must extend beyond death.

The case pits two competing ideals: that people who go to lawyers should be assured secrecy so they can confide fully and obtain the best advice, against prosecutors' claims that they need access to information to get at the truth.

An appeals court has already ruled that Mr. Hamilton should be forced to turn over the notes, saying the notes' "relative importance" to the criminal investigation into the 1993 White House travel office firings outweighed the privilege.

But Brett Kavanaugh, an associate of the independent counsel, Kenneth Starr, asked the justices to go even further and conclude that the attorney-client privilege should not extend beyond a client's death.

At one point, Justice Ruth Bader Ginsburg asked the prosecutor whether investigators' interest could extend beyond the notes to actually questioning Mr. Hamilton about what he had learned from his client. "Absolutely," Mr. Kavanaugh replied.

Nine days before his death, Mr. Foster spoke confidentially to Mr. Hamilton about the White House travel office dismissals in which Mr. Foster, a former law partner of Hillary Rodham Clinton, played a role.

The three pages of notes that Mr. Hamilton took during that conversation with Mr. Foster are the focus of the dispute.

Mr. Foster spoke with Mr. Hamilton for two hours on July 11, 1993. He asked Mr. Hamilton if the conversation was privileged and was assured that it was.

Mr. Foster was found dead of a single gunshot wound to the head on July 20, 1993. Three investigations concluded

that he committed suicide. (AP, WP)

Ruling on Air Crashes at Sea

The Supreme Court ruled Monday that airlines may not be forced to pay damages for the pain and suffering of passengers who die in crashes at sea.

Reuters reported from Washington.

The unanimous decision was a setback for relatives of five victims who were killed when the Soviet Union shot down Korean Air Lines Flight 007 on Sept. 1, 1983, after it strayed into Soviet airspace. All 269 people aboard were killed.

Colombia Joins Assault on Rights Groups

By Diana Jean Schemo
New York Times Service

BOGOTA — The score of soldiers and military officers who stormed a human rights organization here recently — holding guns to the heads of workers, forcing them to their knees and filming them — said they had no shortage of reasons for the assault.

The troops said the organization, the Intercongregational Committee for Justice and Peace, a Jesuit group, was a front for Communist guerrillas, harbored explosives and weapons and had a vague involvement in the killing of a

former defense minister.

But the real reason for the raid, the committee said, was revealed by the soldiers, who went straight to the offices upstairs where researchers have been detailing 40,000 cases of torture, forced disappearances and killings in the 30-year-long civil war here.

For 15 minutes the soldiers videotaped screen after screen of testimony on the computers, eventually locking out the researchers.

Workers at the committee said the soldiers told them, "We came for this, and we're not going to leave without it."

The testimony is part of a project that the group was preparing, called Nunca Mas, or Never Again. It was conceived much like a report from Guatemala with that name that chronicled state-sponsored brutality and ended with the killing of a bishop, 75, the day after he issued his four-volume report.

The raid on the committee appears to be part of a wave of assaults on the chroniclers of human rights abuses in Latin America.

Another occurred in April at the office of the Mothers of the Plaza del

Mayo in Buenos Aires, a repository for the records of 30,000 cases of torture and forced disappearances in the seven years of military dictatorship in Argentina.

In Bogota, a human rights lawyer who spent 12 years investigating the military's actions in the guerrilla siege of the Justice Palace in 1985 was killed in April in his apartment. The lawyer, Eduardo Umaña, had said that he had proof that the military executed 50 rebels after having interrogated and tortured them.

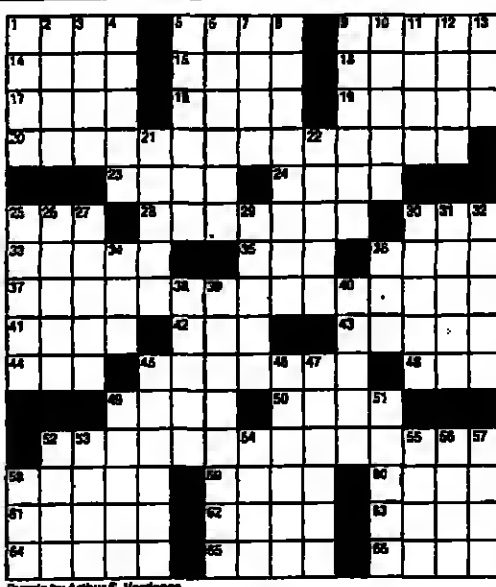
Although the cases in Argentina and Guatemala appear to have involved atrocities in wars that have ended, the war in Colombia rages on. Last year the United States agreed to renew material aid to the Colombian Army, provided that any unit that received aid divulge accusations of human rights abuses against its members and demonstrate that steps were being taken to hold the members accountable.

"What's very clear is they want to destroy this work," said the Reverend Javier Giraldo, 59, president of the Committee for Justice and Peace.

CROSSWORD

- ACROSS**
- Chair part
 - Stuff
 - Blackmore heroine Lorna
 - Salon focus
 - Capital of Latvia
 - Writer Sinclair
 - Meat inspection inst.
 - Journey for Caesar
 - 5 to 1, say
 - Best Picture of 1987
 - Der (Adenauer)
 - Matt Klin
- DOWN**
- Rip
 - Pres. Reagan and others
 - Popular dish often served with rice
 - Shoot at, as in care
 - Excellent
 - Getting years
 - Mooch
 - The "brains" of 58-Down
 - girl
 - Suzanne
 - Pianist Myra
 - Missing

- Roulette bet
- Rock's Brian
- 1966 movie or song hit
- Quilt part
- Car protector
- U. S. Grant opponent
- Mill fodder
- Astronaut's returning point
- Unfitting
- Musical toy
- The Belle of St.
- Frequently
- Sgt. e.g.
- Carnival oddity
- Community service program
- "Mans" (1941 hit song)
- St. Thomas who was murdered in a cathedral
- Seventh planet
- Surprisingly
- Slight color
- Toast
- Lobster pincer
- Cover up
- Slangy denial
- Engrossed by
- Peaky insects
- Peaky insect
- Modern office staples, for short



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Away From Politics

• Roche Laboratories has pulled its heart drug Posicor off the market because it can be dangerous when taken with more than 25 other medications, from antihistamines to antibiotics. Patients taking Posicor for high blood pressure or chronic angina should not just stop taking the pills, the Food and Drug Administration warned. Instead, the regulator urged patients to promptly call their doctors about getting an alternative therapy — and until they get a new treatment, they should not begin taking any additional drug without a doctor's approval. (AP)

• Authorities called off a massive manhunt for two Colorado survivalists suspected of killing a police officer, conceding that the search may have been misdirected from the start. Officials acknowledged that the two men may never have entered the red rock country of southeastern Utah after a violent confrontation in Cortez, Colorado. (AP)

• Rain has brought some relief to northeastern and central Florida, where raging brush fires destroyed scores of homes and forced mass evacuations over the weekend. Elsewhere in the state, firefighters waited to see if high winds and hot, dry weather would reignite blazes. (Reuters)

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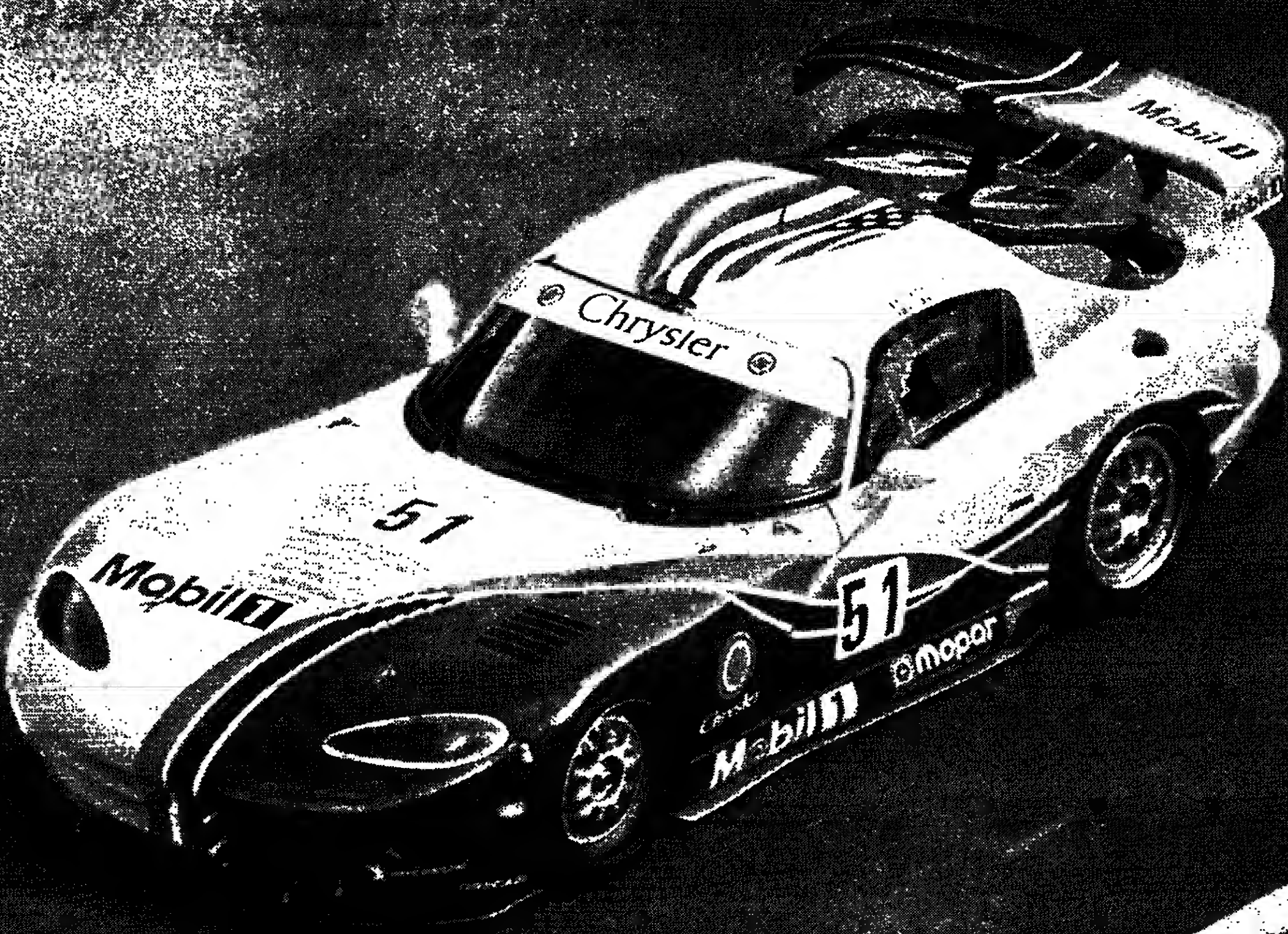
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Ulster Par Election C Sinn Fein to Enter

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EUROPE

BRIEFLY

Ulster Parties Start Election Campaign

Sinn Fein to Enter Candidates for Assembly

By James F. Clarity
New York Times Service

BELFAST — The campaign for seats in the new Northern Ireland Assembly began in earnest Monday as Sinn Fein, political wing of the Irish Republican Army, abandoned its traditional policy and announced formally that it would field candidates even though the new body is almost certain to have a Protestant unionist majority.

Sinn Fein, a predominantly Roman Catholic party, had maintained until two months ago that it would never participate in the new Assembly. The body is one of the key governmental units being set up under the Northern Ireland peace agreement that was approved by large margins in referendums May 22 both here in this predominantly Protestant British province and in the Irish Republic to the south.

The new 108-member Assembly, to be elected June 25, is to return the province to self-government and to set up a body in which the North and the Irish Republic will cooperate.

The peace agreement, aimed to prevent the return of sectarian violence, is

designed to change the structure of Northern Ireland politics, giving minority Catholics a fairer share of power and the overwhelmingly Catholic Irish Republic more influence in Northern affairs.

The Sinn Fein leader, Gerry Adams, began his campaign Monday by warning that the entire peace effort could be disrupted by contentious, sometimes violent, Protestant patriotic parades this month and in July.

The largest Protestant group, the Ulster Unionist Party, also began its election campaign Monday. The party leader, David Trimble, alluding to one of the first tough issues the Assembly will face, said it would be several months after the election before the Assembly would form a government.

One of the first issues with which the Assembly will wrestle is whether Mr. Adams will be made a minister. The prospect pleases most Catholics and angers many Protestants, who still see Mr. Adams as the mouthpiece for the IRA.

In its campaign, Sinn Fein will be competing for the Catholic vote with the Social Democratic and Labour Party of John Hume.

Croat Goes on Trial

THE HAGUE — A Bosnian Croat commander who allegedly stood by while a subordinate raped a Muslim woman went on trial before the UN war crimes tribunal Monday.

The indictment charges that, as local commander of a Bosnian Croat paramilitary unit known as "The Jokers," Anto Furundzija, 29, failed to intervene when a subordinate assaulted and raped a prisoner he was interrogating.

He was arrested by Dutch troops of the allied peacekeeping force last December. The indictment is one of several arising from the "ethnic cleansing" of Muslims in Bosnia in 1993. (Reuters)

Right Gains in Italy

ROME — Candidates backed by Italy's center-right opposition won most regional runoff elections, final results showed Monday. It was a further blow to the center-left, which suffered losses in the first round.

The center-right, led by Silvio Berlusconi, the media magnate and former prime minister, took 10 of the 16 mayoralties in the provincial capitals where a second round was required. Center-left parties, which form



Anto Furundzija, accused of war crimes, in court Monday in The Hague.

French Arrest 9 More

PARIS — French authorities arrested nine more suspects Monday in a Europe-wide effort to thwart a possible terrorist attack during the World Cup soccer matches, and they urged the public to watch out for bombs.

The suspects are considered close to aides of Hassan Hattab, a leader of the Armed Islamic Group in Algeria, who allegedly has ordered an attack during the games that begin Wednesday, authorities said. In all, about 100 suspects have been rounded up in France and four other countries.

Seven of the new suspects were arrested in the Paris area. The others were seized in the southern city of Carpentras and the northern city of Roubaix, the police said. (AP)

Anger at Slovakia

VIENNA — Austria reacted angrily Monday to Slovakia's decision to start up the first reactor at its controversial Mochovce nuclear power plant.

"I would regard this not only as an unfriendly act by Slovakia but also as highly irresponsible," Chancellor Viktor Klima told reporters.

Austria charges that the nuclear plant is potentially unsafe. (Reuters)

Hereditary Seats In Lords to End

Agence France-Presse

LONDON — Hereditary seats in Britain's House of Lords are to be abolished as part of a wholesale reform of the upper chamber of Parliament, the government announced Monday.

But the Labour government failed to set out its vision for the final shape of the house, or a timetable for the changes.

The leader of the Lords, Lord Richard, told a London conference on the issue that while the composition of a reformed Lords was still undecided, the end of inherited positions was a certainty.

Lord Richard said that the composition of the Lords was "unjustified and anachronistic."

"It produces gross political imbalance," he added. "In a modern Parliament, there really should be no reserved seats booked generations ago for a privileged few."

The removal of the 750 hereditary peers, a key commitment at Labour's election just over a year ago, would leave a House of Lords of just under 500 life peers, appointed by successive governments usually in return for political services, plus 26 Church of England bishops and Law Lords.

Lord Richard said that after the abolition of hereditary seats, the Lords would operate as an interim chamber

while the government reviewed the way life peers were appointed to make them more representative of the country.

He warned the opposition Conservatives, whose supporters outnumber other parties by three to one in the Lords, that it would be a "constitutional outrage" if they tried to use their "army of hereditary peers" to block the reforms.

The Conservative leader, William Hague, said at the weekend that his party would fight the government's plans when legislation was introduced in the next Parliament.

The Tories have insisted that they are not opposed to getting rid of the voting rights of hereditary peers, some of whose families have held their titles for 600 years, but say they want to see Labour's full proposals before allowing them to go ahead.

Mr. Hague said: "The government won't say what they want to happen to the House of Lords. They don't know what they actually want to do to the House of Lords, so now they are falling back on their contingency plan, which is to say let's just get rid of the hereditary peers and leave it as a huge quango," or appointive organization.

Lord Richard rejected suggestions that the government was removing the hereditary peers in an "act of political spite."

Kohl Backs Spokesman After East German Flap

Compiled by Our Staff From Dispatches

BONN — Chancellor Helmut Kohl stuck by his controversial spokesman Monday, even as the new appointee promised to watch his words more carefully.

In office less than two weeks, the spokesman, Otto Hauser, came under fire after warning East Germans in a newspaper interview Wednesday that by continuing to vote for former Communists they would be "overstraining the solidarity of the West Germans." Coming just three months before a federal election, his words were interpreted as implying that continued financial support for rebuilding Eastern Germany depended on how East Germans voted.

Opposition politicians and members of Mr. Kohl's governing coalition criticized the comments as inappropriate. Mr. Hauser, a conservative member of Parliament and former journalist, said he was expressing an opinion and not government policy — a position that Mr. Kohl has backed. But in a television interview Sunday, Mr. Hauser said he regretted the misunderstanding and would "concentrate on presenting government policies."

On Monday, Mr. Kohl reiterated that he was "in complete agreement" with Mr. Hauser's remarks. (AP, Reuters)



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Due to an unforeseen problem in yesterday's print run, the Chrysler ad on page 11 was incomplete. The ad on the facing page, celebrating Chrysler's victory in GT2, is the announcement as it should have appeared.

With our apologies

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INTERNATIONAL

Air France Negotiations at a Standstill as Strike Enters 2d Week

By Barry James
International Herald Tribune

PARIS — The Air France pilots' strike entered its second week Monday with negotiations deadlocked and management reportedly determined to impose salary cuts.

A union leader, Christian Paris, warned that a unilateral attempt to cut salaries would lead to an "irrevocable break" between the pilots and management.

With the positions hardening on both sides, it appeared increasingly problematic whether the World Cup soccer tournament starting Wednesday could count on the participation of its official airline. Air France said it would meet commitments to transport the 32 teams and their entourages, but not the tens of thousands of supporters expected in France for the 33-day event.

Jean-Cyril Spinetta, president of the state-owned airline, said he would call an extraor-

inary board meeting this week — probably Wednesday or Thursday — at which he would announce "important decisions."

Airline sources said Mr. Spinetta had two essential options: He could settle with the pilots and abandon a 40 billion-franc (\$6.7 billion) development plan designed to renew and expand the airline's fleet to take advantage of an improved economy. Or he could impose a new salary structure that would bring the pilots into line with those at rival airlines such as British Airways and Lufthansa.

The sources said the latter seemed the likeliest outcome following a meeting Sunday between Mr. Spinetta and representatives of the more than 40,000 Air France ground staff and cabin crew. Many expressed dismay at the way the airline was being held hostage by the pilots and appealed for decisive action to assure the future of the company.

Mr. Spinetta is seeking 3 billion francs a year

in cost savings, and he demanded a 500-million-franc reduction of the pilots' payroll. Since the strike began, the airline — which made a profit of 1.8 billion francs last year after years of deep losses — says it has lost 1 billion francs.

Mr. Spinetta proposed exchanging Air France shares for up to 15 percent of the pilots' salaries when the company is partly privatized this year. But union leaders representing the 3,200 Air France pilots rejected the proposal. They also demanded that management scrap a plan to put newly hired pilots on a lower salary scale.

The sources said Mr. Spinetta considers the negotiations over.

"We have exhausted our capability of understanding the pilots," a senior Air France official said.

Jean-Charles Corbet, the leader of the main union, vowed that the pilots would not fly if management tried to impose a unilateral solution. "We will go to the bitter end in this conflict,"

he said. "The pilots' determination is total." Mr. Paris said in a radio interview that the pilots were salaried workers and had every right to fight to avoid losing up to two months' worth of their annual pay. He rejected criticism from other groups of workers at Air France, saying that if the pilots ceded, everyone would suffer.

Mr. Spinetta's band was strengthened over the weekend by an assurance from Prime Minister Lionel Jospin that the government would not interfere in the negotiations and would stand behind the management. There had been speculation that the Socialist-led government, which earlier scrapped a plan to privatize the airline, would buckle under pressure from the pilots and seek a compromise.

The transport minister, Jean-Claude Gaxiot, had earlier appeared ready to intervene. But political sources said the government realized that it gave way to the highly paid pilots, it would face a wave of demands from other

groups, such as railroad workers and truckers. With the World Cup already disrupted, Mr. Jospin said the government's concern was not the tournament, for which France has prepared for the past five years, but the survival of Air France. Finance Minister Dominique Strauss-Kahn made it clear that there was the prospect of further subsidies for the airline, which has soaked up 20 billion francs of cash from taxpayers in recent years.

The pilots earlier offered to fly World Cup tickets holders to France, but the airline rejected the offer because it could not legally discriminate between one group of passengers and another and because the striking pilots would lack proper insurance.

Chaos eased at Paris' Roissy-Charles de Gaulle Airport on Monday after striking baggage handlers returned to work. But some railroad workers remained on strike in the south, and others said they would begin a walkout Tuesday. A line on the Paris Metro was blocked Monday after workers walked out to demand better security.

Jewish Settlers Occupy 4 East Jerusalem Homes, Setting Off Confrontation

By Joel Greenberg
New York Times Service

JERUSALEM — Expanding their foothold in East Jerusalem, Jewish settlers moved into four homes in an Arab neighborhood early Monday, setting off a violent confrontation and heightening tension in the area claimed by both Israelis and Palestinians.

Acting under cover of darkness to prevent Arab unrest, members of the settlement group Elad entered homes they said they had acquired in Silwan, a village just outside Jerusalem's walled Old City. They removed furniture, spread coils of barbed wire and raised Israeli flags.

"Our aim is to Judaize East Jerusalem," declared Yigal Kaufman, a spokesman for Elad, which has purchased properties and moved Jews into Silwan in recent years. "The City of David is the most ancient core of Jerusalem, and we want it to become a Jewish neighborhood."

Mr. Kaufman used the Hebrew name for the Silwan area, which is the site of the Israelite city of Jerusalem under the biblical King David.

A clash broke out at one house when a group of Palestinians arrived with Israeli peace advocates and removed barbed wire. Witnesses said that settlers lashed out with sticks and the Palestinians threw stones. Faisal Hussein, a Palestinian cabinet member responsible for Jerusalem affairs, was injured slightly.

The settlers moved into the homes with the advance knowledge and pro-

tection of the Israeli police, raising charges that they were tacitly backed by the Israeli authorities.

"The entry was legal," a police spokesman said. "The houses belong to them."

Enraged Palestinians and Israeli peace advocates accused Prime Minister Benjamin Netanyahu and Mayor Ehud Olmert of Jerusalem of complicity in what they described as a calculated political provocation. But sides to both Mr. Netanyahu and Mr. Olmert denied any prior knowledge of the settlers' action, saying that the Jews had simply moved into homes that were legally theirs.

Both Mr. Netanyahu and Mr. Olmert are staunch supporters of Jewish settlement in East Jerusalem and assert that the area, captured from Jordan in the 1967 Arab-Israeli war, will forever remain part of Israel's capital.

The Palestinians claim East Jerusalem as the capital of their hoped-for state and view any Jewish settlement there as an obstacle to a future peace agreement with the Israelis.

"The prime minister's office was not party to the organization and planning of the entry to those houses," Danny Naveh, the Israeli cabinet secretary, told Israeli Army radio.

A statement from Mr. Olmert's office asserted that the entry of the settlers was "a private matter" that did not require the city's intervention, because the Jews were exercising their legal ownership.

Mr. Olmert had no idea of the settlers' intentions and learned of their action over the radio, the statement added.



CHINESE CHARACTER — A man relaxing in Beijing in front of a drug message in English ("LSD") scrawled on a park wall.

The Palestinian leaders remained unconvinced.

"Netanyahu's office and the municipality are involved, and they encourage these people to do these things," said

Ziyad Abu Zayyad, a Palestinian lawmaker from East Jerusalem. "This is a political entry. These people are not coming to live quietly. They want to create political facts."

Kosovo's Fighters Head Into Chaos and Mayhem

But Are Untrained Warriors Ready to Face Death?

By Chris Hedges
New York Times Service

TROPOJE, Albania — A local gun merchant, his handkerchief hanging out of his green camouflage cap to keep his neck from roasting in the afternoon sun, reached into the trunk of an old black Audi where he had a pile of assault rifles.

"Big boom," he said in broken English, picking up a Chinese-made AK-47 rifle. "Ten dollars."

The fighting in the Serbian province of Kosovo, where ethnic Albanians make up 90 percent of the 2 million people, has begun with the mixture of force and tragedy that colored the recent wars in Croatia and Bosnia.

Men and boys woefully unschooled in the mechanics of war swagger about in uniforms, mimicking the macho warriors in the fantasy world of television and film. Most appear doomed to walk into a conflict they do not understand, where chaos, violence and mayhem take the place of rules of engagement and discipline.

"There are many, many groups that have formed to fight," said a senior Albanian official who expressed dismay at the number of fighters. "They have no coordination, little experience and no idea of what awaits them. Many will die very soon."

KOSOVO: EU and NATO Move to Raise Pressure on Milosevic

Continued from Page 1

deployment of thousands of troops along Kosovo's borders with Albania and Macedonia.

At the United Nations, the United States and Britain were seeking to lay the legal foundation for intervention by proposing a resolution to the Security Council that would endorse the use of "all necessary means" to stop the conflict from spreading across borders.

But for all the tough talk and diplomatic maneuvering, it remained unclear how far the Western powers were willing to go in pressing Mr. Milosevic to meet their demands. These include the immediate withdrawal of Serbian security units from Kosovo, a restoration of autonomy for ethnic Albanians there and a willingness to engage in serious political negotiations with their leader, Ibrahim Rugova.

Russia and France have expressed reservations about seeing the North Atlantic Treaty Organization, which is responsible for the Bosnia peacekeeping mission, conduct a second military in-

tervention beyond its territorial domain.

[But on Monday, the Russian defense minister, Igor Sergeev, was quoted by Reuters as having said that Russia would not in principle oppose NATO intervention in Kosovo conducted with the approval of the UN Security Council. "It could be on the basis of the decision of the Security Council," Mr. Sergeev said in Bonn. "Russia would not be opposed to this." He was accompanying President Boris Yeltsin to talks with Chancellor Helmut Kohl.]

If NATO troops are denied the mandate to breach Yugoslavia's sovereignty and restore peace in Kosovo, some military experts have questioned whether deploying troops along the borders of Albania and Macedonia would serve as a useful deterrent to continued Serbian oppression.

"If you send in NATO troops to Albania and Macedonia and tell them to stop the flow of arms and guerrillas across the borders, it would probably be the biggest favor we could do for Milosevic," a NATO official said.

Mr. Milosevic has been adroit at ex-



Foreign Minister Wolfgang Schuessel of Austria, left, and Secretary Robin Cook of Britain discussing Kosovo at the EU meeting.

collection of green anti-tank mines. The buyers rummaged home ammunition and fired bursts into the woods to try out the guns. Groups of men, conspicuous in new camouflage fatigues, carried belts and black combat boots, lay stretched out on a grassy slope for the signal to begin the 15-hour climb over the Shkëlzen Mountains into Kosovo to join the departing mule trains. Many others wandered up and down the dirt streets.

"I have been here all day," a young fighter said. "Tonight I will go into the mountains with 40 others. We will be home by tomorrow morning."

Off the dusty square, surrounded by windowless, crumbling concrete buildings and collapsing mud and wattle

homes, several dozen men were crammed into a noisy, fetid bar. They swiftly downed brown bottles of beer, talked of the coming battle and tried to mask their nervousness with an unconvincing bravado.

"We will all fight to the death," said a man wearing a shiny leather case that held a huge hunting knife. "Every Albanian in Kosovo is now a member of the Kosovo Liberation Army."

Serbia, in defiance of international calls for restraint in Kosovo, has been shelling and burning towns along the Albanian border for over a week, apparently to create a depopulated buffer zone. The attack is expected to displace as many as 40,000 people, nearly 20,000 of whom have now fled to Albania and Macedonia.

The Serbs apparently hope to use the free-fire zone to block the flow of weapons and fighters that have poured into Kosovo since Serbia began its campaign against the rebels in March. Several hundred people have been killed in the three months of fighting.

The Albanian border region is flooded with volunteers and arms dealers, many of whom sell some of the 650,000 weapons looted from Albanian armories last year. Mule trains, laden with guns and green ammunition boxes, wind up the steep slopes into Kosovo. The border towns are awash in men waiting to depart.

Serbian guard towers on the border were silhouetted on the sharp, forested ridge above Tropoje as the groups of rebels bought up weapons and prepared to leave Saturday.

The preparation has deeply disturbed relief workers, who have been placing refugees in local homes and struggling to bring in tons of food and medicine.

"If the Serbs decide to drop a few shells over the border," a relief official said, "the first place they will land will be Tropoje. This place has become a base camp."

Heat Over 'Cool Britannia'

Labour's Courting of the Cultural Elite Comes Under Fire as Stones Cancel Tour

By Tom Buerkle
International Herald Tribune

LONDON — In the heady days after the Labour Party swept to power last year, the coterie of pop stars, artists and entertainment moguls eager for admission to the inner circle of Prime Minister Tony Blair were a glittering symbol of the party's stunning success.

The stuffed shirts at cocktail parties at No. 10 Downing Street gave way to the likes of Noel Gallagher, the leader of the rock group Oasis, while Mr. Blair and his ministers praised artists and designers for revamping the country's image as Cool Britannia.

But one of the coolest things about Britain today is the relationship between Mr. Blair's Labour government and the cultural elite.

Aspiring rockers are angry that Labour plans to force them to enter a job or training program to draw unemployment benefits, something the Conservatives never did. Performing artists have seen their hopes of higher subsidies for the theater and other arts mostly unfulfilled. And increasing numbers of entertainers are bristling at the mere mention of Cool Britannia, regarding it as a cynical attempt by the government to increase its own popularity.

The latest blow came over the weekend with the announcement that the Rolling Stones would cancel the British leg of their world tour this summer because of a recent decision by the government to annul a long-standing tax break for Britons working abroad. The Stones' lead singer, Mick Jagger, said the change would have meant a £12 million (\$19.6 million) U.K. tax bill for the band and its road crew, pushing the Bridges to Babyloo tour into the red. But he declined to criticize the government. "I'm not a party political animal," he was quoted as saying in *The Times*.

The incident sparked an unusual exchange that showed just how much the political goalsposts have shifted here as the Conservative Party cried foul on behalf of the 200,000 people who had bought tickets for the Stones' four British shows.

Richard Spring, the Conservative spokesman for cultural affairs, said, "If we are going to run around saying we like Cool Britannia and artistic endeavor and you have a tax regime which makes it impossible for those people to come here and play, then it is a complete contradiction."

Under the old tax law, Britons who lived and worked abroad for more than a year were exempt from British taxes on their earnings, so long as they did not spend more than 62 days in Britain.

The Conservatives claimed that the tax change would hit plenty of ordinary Britons who work most of the year abroad, including charity workers and those in the offshore construction industry.

But a spokeswoman for the Treasury defended the move, which was announced in the March budget. The change makes the tax system fairer by closing a loophole that a handful of wealthy Britons have used to avoid an estimated £250 million a year in tax payments, she said. "Everybody should pay their fair share," she added.

The tax flap showed every sign of dying down quickly. The Stones quickly rescheduled the British concerts for next summer so they would not affect the band's tax position this year. And even in the entertainment industry, there was no groundswell of sympathy for the country's tax exiles.

"I'm glad," said Andy Saunders, a spokesman for Creation Records, a lead-

ing independent label. "It's good for Phil Collins and Eric Clapton that they'll be paying taxes in this country."

But Labour's love affair with the culture crowd appears to have entered a longer-lasting decline.

Although the government has managed to increase funding for filmmakers, its seeming obsession with image and its economic strategy of being as tight with money as its Conservative predecessors have cost it a lot of credibility.

"The present government should be very careful: style is no substitute for substance," the comedian Ben Elton wrote in a recent issue of *Radio Times*. "I did not vote Labour because they've heard of Oasis, and nobody is going to vote Tory because William Hague has got a baseball cap. It's sad, it really is. Leaders should never, ever try to look cool — that's for dictators."

Frank Johnson, editor of *The Spectator*, a conservative weekly, said the new mood was a welcome and thoroughly predictable comeuppance.

"It's something that always happens when governments think they're currying favor with the young and the culturally switched on," he said. "Young people by definition cannot regard any politician as cool."

Mr. Blair has not taken the criticism lying down. He took time out from his recent Middle East visit to dismiss the Cool Britannia backlash, pointing out that the term had been coined by others long before he took office. He also said the arts, design and other creative industries were more important than ever for British exports and for attracting visitors to the country.

But the criticism has drawn blood in at least one instance. The British Tourist Authority, the agency that has led the Cool Britannia boosterism in the past, acknowledged last month that the moniker had seen its day. It is now promoting a friendly, humorous and eccentric country — Warm Britannia.

Discovery Says Good-Bye to Mir

The Associated Press

HOUSTON — Completing a historic last link, the space shuttle Discovery pulled away from Mir on Monday, marking the end of America's three-year partnership with the Russian space station and the transition into a new era of spaceflight: the international space station.

"This is great, and the whole flight has been fantastic," the shuttle commander, Charles Precourt, told his Mir counterpart, Talgat Musabayev, before Discovery backed away. "We're looking forward to working with you again."

In an emotional last gathering in the space station, Discovery's astronauts and Mir's cosmonauts exchanged handshakes and hugs before closing the hatches between the two spacecraft.

And Mr. Musabayev gave Mr. Precourt a last gift: a huge wrench that was used in spacewalks outside the Mir and is to be flown to the international space station.

After four days of joint flight, Discovery eased away from Mir as the two spacecraft sailed 240 miles (400 kilometers) above southern Russia. The shuttle is due to land at Florida's Kennedy Space Center on Friday.

ABACHA: Nigerian Leader Is Dead at 54

Continued from Page 1

Abacha who announced it on national television.

Two years later, General Abacha went on state-run TV to announce that General Mohammed Buhari was being replaced by General Ibrahim Babangida.

General Babangida would soon appoint General Abacha as his defense minister, and in 1993 he used his power in that position to force General Babangida's resignation amid the civil turmoil that followed the army's cancellation of civilian elections.

General Babangida named a civilian government to rule in his place, but three months later General Abacha was on television again, this time announcing that he had taken power himself.

General Abacha's bloodless coup at first brought hope for relief from the civil strife that developed after General Babangida refused to accept the outcome of 1993 elections that were to have returned Nigeria to civilian rule.

But General Abacha's promises of democratic reform proved as hollow as those of his predecessors. Elections that were to have brought civilian government in 1996 never occurred, and General Abacha announced that he was stretching his rule until the end of 1998.

When Chief Abiola, frustrated by his stolen victory, marked the 1993 election's first anniversary by declaring himself president, he was jailed on treason charges. Others soon followed, among them a former military ruler, General Olusegun Obasanjo. No act of General Abacha's drew such public condemnation as the 1995 hanging of the environmentalist and playwright Ken Saro-Wiwa and eight other political activists convicted in a closed military tribunal of conspiring in the slaying of political opponents.

Critics said the charges were false. General Abacha's revenge for Mr. Saro-Wiwa's challenges to the military government.

POOR: 10/10/98

Cohen Orders Probe of That U.S. Gas-Ed De-

INTERNATIONAL

POOR: A Crisis Seen Up Close

Continued from Page 1

representatives of the relief group Oxfam. They report that many Indonesian mothers can no longer afford milk, which has tripled in price, and are giving their babies tea.

The picture that emerges suggests increases in death rates, school dropouts and malnutrition. Some experts say that the legacy of the crisis will be felt long after the region's economies are purring again.

"When children are malnourished before they are five years old, the impact on their intelligence is permanent," said Dr. Anugerah Pektari, chairman of World Vision Indonesia, an aid organization.

"When you combine the two factors we're now seeing — malnutrition and its impact on IQ, and also children dropping out of primary school — the impact will be quite devastating 10 years from now."

Asia has always had many poor areas and hungry children, so the problems are not new. But they have been hugely magnified. On the eve of the crisis, Indonesia had about 20 million people who lived below the poverty line, getting by with a per capita income of less than \$1 a day. Now World Bank officials suggest that the number of people below this poverty line may surge to 40 million or more.

For those 40 million, and for the tens of millions more who live in similar deprivation in countries like Thailand, Vietnam and Burma, the poverty does not necessarily mean living more simply. In extreme cases, it means living not at all.

Medicine in the region is often imported, and thus sometimes doubled or even quadrupled in price when local currencies tumbled against the dollar. A result, according to rural doctors and social workers, is that people are dying who would normally be saved.

Moreover, children are dropping out of schools, which play an important role in monitoring their health by arranging checkups, vaccinations and referrals to doctors. The schools also teach basic practices like hand-washing and cultivate a more educated population that in the long run will be more conscious of hygiene and will be crucial to sustaining Asia's industrial revolution.

Data on school dropouts are scarce, but in Thailand officials say that an unpublished government survey of school enrollment indicates that 40,000 to 50,000 first-graders have dropped out of the school system this year alone. That amounts to 4 percent of all first-graders, and with other survey information it suggests that the number of elementary school dropouts in Thailand may have almost tripled.

In Indonesia, the government warns that 8 million elementary and junior high school students may drop out this year, compared with 2.8 million in a normal year.

In addition, governments in such countries as Indonesia and Thailand have had to cut spending, and a result in some cases has been to end to school lunches and cutbacks for public-health campaigns.

"We used to have village hygiene organizations and public-health representatives in the village, but now we've had to cut all that back," said Chitana Saribut, a 28-year-old nurse at a rural clinic in northeast Thailand.

Miss Chitana said the budget of the clinic had been cut 30 percent, even as the cost of medicines soared. As a result, the clinic is out of penicillin, fever medicine and other essentials.

"When patients come to us," she said, "we often have nothing to give them."

Sickness and death are closely linked to malnutrition, and the spreading hunger is readily visible in places like the village clearing in In-

donesia where Wilhelmina Boemao was preparing her dinner behind her thatch-roof hut. On the menu that night: boiled wood.

Miss Boemao, a tall, good-natured woman living in West Timor, Indonesia, is being forced by hunger to eat putak, the wood of a kind of palm tree that grows wild. She chops up the putak and boils it into splinters that taste as unpalatable as they sound or else she grinds it into what she calls flour, but it is actually sawdust.

The economic crisis has coincided with crippling droughts caused by El Niño currents. So rain has not fallen and crops have failed, particularly in eastern Indonesia. With no rice and corn, villagers are turning to anything edible.

"In the past I used putak to feed pigs, and even they didn't like it," Miss Boemao said. "I never ate putak. My grandmother used to talk about eating it in hard times, and my mother may have eaten it once or twice, but in my lifetime, never."

Even in normal times, the drought would be a calamity, but it is doubly so in the middle of an economic crisis.

First, families have less cash income to buy food, because prices have gone up and because people have lost their jobs. Second, the Indonesian government, absorbed by financial problems and political upheaval, has not been able to help the villagers, and will be hard-pressed to import grain to cover the shortages.

Even during the boom years, 39 percent of Indonesia's children were malnourished, according to World Bank figures, along with 45 percent of Vietnamese children.

Most experts expect those figures to increase, but such numbers are a bit unreal because it is impossible to tabulate accurate health statistics for peasants who are so poor that they cannot afford to go to a doctor.

Yet for all the deprivation caused by the crisis, the situation is not uniformly bleak. Some people are dying or suffering greatly, but Asia is a more complex and varied canvas than a focus solely on the victims would suggest.

"Alongside" the most wretched there are also many poor people like Bulu Kadi. Mr. Kadi, a 55-year-old peasant with a head of unkempt hair and a machete tucked under his belt, is lean and hungry but still not remotely worried that he will ever starve.

He and his neighbors in Punmawo, a village on the small Indonesian island of Sumba, are running out of food and the village is so remote that the government will never manage to send relief. To get to Mr. Kadi's home, one must hike for a couple of miles through the muddy rice paddies from the nearest gravel road, then wade across a creek and finally balance on a log that is the only bridge over a river.

Yet as Mr. Kadi recounts how he manages to get by, the conversation underscores what has protected Asia from far worse suffering. Most countries in Asia do not have the kind of safety net popular in the West — unemployment insurance, welfare system, food stamps — but nonetheless there are two cushions to soften the fall.

The first is the strong mutual support system that links people together. The second is the natural bounty of the land.

"The tradition here is that if people don't have food, they can borrow from their neighbors," Mr. Kadi said. "If you borrow one sack of rice, you have to pay back two sacks. People always help each other."

Asian society is urbanizing and becoming looser-knit, but most laid-off workers still have relatives in a village somewhere — a place that they call home and to which they can return at any time.



In the small Indonesian village of West Timor, food has become so scarce that Wilhelmina Boemao, right, is forced to prepare meals of boiled wood, known as putak. Miss Boemao said that in the past she used putak to feed pigs — "and even they didn't like it."

20 Wounded in Pakistan In Third Bomb Attack

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ISLAMABAD, Pakistan — A bomb tore apart a jewelry store in eastern Punjab Province on Monday, the third bombing to hit Pakistan since Friday. The police said 20 people were wounded.

No one took responsibility for the explosion in Khanewal, 530 kilometers (330 miles) south of the capital, Islamabad.

On Sunday, a bomb ripped through a train in southern Sind Province, killing 26 people and wounding 45. Another bomb exploded in a movie theater Friday in the eastern city of Lahore, killing three people.

Pakistan tightened security at hundreds of railroad stations, officials said. The railroad minister, Yaqoob Nasir, said a comprehensive security plan would be prepared to ensure safety on trains and at railroad stations.

Pakistan accused India of being behind the first two bombings. India has denied the charges.

Both countries routinely accuse each other of carrying out acts of terrorism. Pakistan and India have fought three wars since independence in 1947. Last month, both nations carried out underground nuclear tests that generated worldwide condemnation and economic sanctions.

In a statement, Information Minister Mushahid Hussain accused India of carrying out the first two bombings to "put pressure on Pakistan and to divert attention away from domestic political and economic frustrations." (AP, AFP)

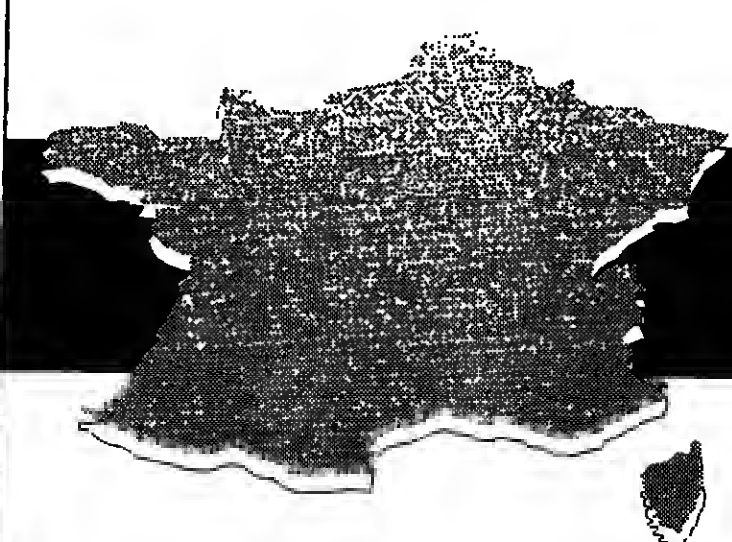
■ Bhutto Assails Prime Minister

The Pakistani opposition leader, Benazir Bhutto, said Monday she feared the country faced a calamity because of the economic policies of Prime Minister Nawaz Sharif rather than because of sanctions following nuclear tests, Reuters reported from Islamabad.

After a speech to Parliament in which she called on Mr. Sharif to resign, Miss Bhutto said to reporters that Pakistan was facing the "greatest threat" since 1971, when Bangladesh seceded from it after India defeated Pakistani forces there.

Miss Bhutto, who was succeeded as prime minister by Mr. Sharif in 1997, said, "Pakistan is internationally isolated. It is politically divided and it is economically fragile. I don't see the regime taking any steps to rectify the situation."

Mr. Hussain, the information minister, called Miss Bhutto's criticism an expression of jealousy that Mr. Sharif had raised Pakistan's stature by conducting the nuclear blasts.



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Cohen Orders Probe of Report That U.S. Gassed Defectors

The Associated Press

WASHINGTON — Defense Secretary William Cohen ordered an inquiry Monday into allegations that special U.S. forces used nerve gas to target U.S. military defectors during the Vietnam War, although he said the Pentagon was not aware of any information that could back up the charges.

"My understanding is that would, of course, have violated our own policy at the time," Mr. Cohen said in an interview with CNN, which with Time magazine issued the report. "President Nixon had declared an end to use of any kind of biological weapons." Richard Nixon was president from 1968-74.

Nonetheless, Mr. Cohen said he was asking the military services, including the air force and army, to search records for any information that might substantiate the allegations and "to examine it with the kind of seriousness it warrants."

Former military officials who participated in the alleged operation in September 1970 said their job was to kill deserters. But it was not known whether the suspected defectors died during a preparatory nerve gas attack or a subsequent assault with conventional weapons carried out by Special Forces troops.

EDITORIALS/OPINION

Herald Tribune

ESTABLISHED 1867
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Help Indonesia Now

After three decades of stifling dictatorship, Indonesians have enjoyed two weeks of remarkable political freedom, marked equally by exuberance and self-restraint. There is a sense in the world's fourth most populous nation that the future is up for grabs. For Indonesians as well as for U.S. policy toward that important country, this is a moment of peril and opportunity.

President Suharto surprised many by bowing to popular will and resigning, without a last-ditch fight, after 32 years in office. His handpicked successor, although no reformer by history or inclination, is in his turn responding to popular demands for change. Political parties, long banned, are forming; a few political prisoners have been released; the press is criticizing freely; labor unions are emerging from underground; a vigorous debate is taking place on how best to further promote democracy.

These steps are only the beginning. Some 200 political prisoners have not been freed. Many reformers believe that elections should be held sooner than the 1999 schedule proposed by President B. J. Habibie. The new president so far has refused to discuss a change in policy toward East Timor, where the worst human rights abuses of the Suharto era took place; no democratic government can sustain his negotiation stance.

And the new president, arguing that Indonesians should look to the future,

not the past, so far has resisted calls to examine how Mr. Suharto and his children amassed billions of dollars in wealth. This, too, is a position that he will not be able to sustain. The desire to avoid frenzied retribution is understandable, but if Indonesia hopes to build an economy less permeated by corruption, it will have to reveal the sins and secrets of the old system.

The greatest threat to Indonesia's transition now is economic collapse. The currency has lost most of its value, the price of food staples has soared, and millions are unemployed. Starvation among Indonesia's 200 million people is a real possibility. If the economy is not righted soon, any hope of democratization may be lost.

Herein lies America's opportunity. Sticking with Mr. Suharto almost to the end, it played not much of a role in his downfall, and it now can best leave the political debates to the Indonesians. But, without taking sides in those debates, the United States could support the democratic process by aiding fledgling civic institutions, funding scholarships for students who suddenly see their prospects for education disappearing, and, above all, giving food and medicine in sufficient quantities to avert a humanitarian disaster. A large and generous aid program now could earn crucial goodwill for the United States while giving Indonesia its best shot at finding its way toward democracy.

—THE WASHINGTON POST.

The RFK Legacy

When Robert Kennedy's admirers try to explain what made him special, they invariably describe him as a man who changed. Instead of becoming cynical or burned out with time and trouble, they say, he became less calculating, more passionate, more sensitive to social justice. Even Americans who are not old enough to remember him must feel nostalgic at the idea of a man for whom politics was a catalyst for moral growth.

Robert Kennedy, who died 30 years ago this month, is a historical figure untrammelled by history. He was murdered while campaigning for the presidency at the age of 42, after a career as attorney general and senator that lasted less than eight years. He did not leave behind any notable achievement that could have fixed his image to a particular deed. His legacy was a presidency that never was, a blank slate on which people could draw their visions of a more perfect union.

Like his brother John, Robert Kennedy impressed himself so firmly on the national consciousness that Americans are able to believe in two competing versions of him at the same time. The good Robert Kennedy was a lifelong foe of organized crime. The bad RFK apparently tried to cover up his brother's affair with a mob leader's girlfriend, and probably knew that organized crime figures were working with the CIA to assassinate Fidel Castro.

It is not surprising that this anniversary is bringing forth a rash of biographies in which he is described as a hero in both the left and the right.

But Robert Kennedy's personal story reaches so close to the national core that it may live on as long as the country does. It is a version of the old legend of

a knight who purifies himself through great suffering to prepare for a holy quest. Burdened by grief over his brother's assassination, and perhaps a fear that his own complicated relationships with the mob might have somehow led to it, he searched for a purpose that could transcend regular politics, and that became racial justice.

The attorney general who wiretapped Martin Luther King's phone became a presidential candidate who lectured students about the unfairness of a draft that took poor blacks in war and left middle-class whites to study in comfort. The great tales about the later Robert Kennedy, the one who had changed and been purified, were almost always about poverty and race. "What the hell would you do if you found out that God was black?" he asked white students at a South African university in 1966.

There is no shortage of Kennedy contrarians who scoff at the legend, who point out that the Robert Kennedy who was supposed to be about people, not politics, had no qualms about allowing Eugene McCarthy to take the risks as an anti-war candidate, and then big-footing it into the race after Mr. McCarthy demonstrated that Lyndon Johnson might be vulnerable.

The record of John Kennedy's administration has taken a beating on many fronts, and may be tarnished further. But the idea of what happened to Robert Kennedy during the last five years of his life supersedes all that. His legend says that the end of America's own story must be a joining of black and white, but that this great purpose cannot be achieved without enormous struggle and pain. That is the gift of his un-lived presidency.

—THE NEW YORK TIMES

Doctor-Assisted Suicide

Attorney General Janet Reno has made the right call in preserving the right of Oregon residents to seek physician-assisted suicide. Oregon voters resoundingly affirmed their support for the state's Death With Dignity Act by a 60 percent vote last November. The Oregon law allows a terminally ill adult to request a prescription for lethal drugs if he or she is of sound mind and is judged by two doctors to have less than six months to live.

After several months of review, Ms. Reno has concluded that federal law does not permit prosecution of a doctor who complies with the Oregon law. Her decision is in line with the sentiment of the Supreme Court. Although the high court ruled that there is no constitutionally protected right to assisted suicide, it said states must be free to engage in the "profound debate about the morality, legality and practicality" of this issue. Oregon voters have engaged in that debate, and their

judgment about the right to die should not be subject to federal interference.

Unfortunately, leaders of the right-to-life movement are seizing on the assisted-suicide issue as they have on abortion. Representative Chris Smith of New Jersey, a vociferous opponent of abortion rights, has said there will be efforts in Congress to undo Ms. Reno's decision on the Oregon case. As in the reproductive rights arena, conservatives who otherwise oppose federal control are eager to substitute their moral judgments for those of local voters when the outcome is not to their liking.

The nation is beginning to grapple with an individual's right to control how a life ends. A national poll last fall showed that 68 percent of respondents supported physician-assisted suicide. Oregon's law is likely to be replicated in other states. Ms. Reno's decision allows voters in all states to act according to their values.

—THE NEW YORK TIMES

Odd Look-Alikes: Oppressors in Turkey and Iran

By Philip Taubman

NEW YORK — It is an odd conjunction of opposing political cultures. Turkey, the emblem of secular governance in the Middle East, and Iran, the heartland of Islamic fundamentalism, are both resisting powerful internal political movements by prosecuting the mayors of their largest cities, Istanbul and Tehran.

Istanbul's mayor, Recep Tayyip Erdogan, was recently convicted of inciting hatred in a speech last year. Tehran's mayor, Gholam-Hossein Karbaschi, just went on trial on corruption charges.

The two men are being pursued less for what they said or did than for what they represent, which is a strong desire among their countrymen for a more inclusive, less rigid brand of politics.

In attacking the mayors, the rulers have shown a potentially fatal inability to practice moderation in politics.

The defenders of the faith in each nation will likely discover someday

that in their unyielding pursuit of conformity they only strengthened and radicalized the popular causes they feared and tried to suppress.

In both prosecutions, the legal battle is just a skirmish in a broader struggle between ruling authority and a growing political opposition. In both cases, the mayors represent an opportunity for peaceful change that should not be lost.

The rulers of Turkey and Iran would acknowledge no common thread. If anything, they would maintain that the two cases show how different the countries are. The generals who wield real power in Turkey are determined to snuff out any Islamic political activity, fearful that it will undermine their secular state and even lead eventually to an Iranian-style revolution. The clerics who run Iran are intolerant of civil authority and see it as a threat to the Islamic code.

But when the ideological and legal veneer is removed, the two cases are essentially about the same thing: extremism in the defense of power.

I saw this tendency when I visited Turkey and Iran last fall. A Turkish general who denounced his country's main Islamic political party was just as intransigent as a cleric in Tehran who opposed reform.

Although the two nations view each other as political antagonists, and their handling of religious matters could not be more different, the Turkish generals and the Iranian clerics are allergic to genuine democracy. The clerics are secular fundamentalists, the clerics Islamic fundamentalists.

Mr. Erdogan's offense was not that he was bowed down by that he was a leader of the Welfare Party, the Islamic political organization that drew the largest number of votes in parliamentary elections three years ago. The party briefly governed Turkey in a coalition,

but was then displaced and ultimately outlawed at the behest of the generals. Mr. Karbaschi is an ally of President Mohammed Khatami, who was elected last year in an overwhelming protest vote against the clerical stranglehold in Iran. Whether the mayor embezzled city accounts as charged may never be known. Mr. Khatami's opponents went after the mayor to weaken the president and his reform program.

Last November, when I boarded an Iran Air jumbo jet for the flight from Istanbul to Tehran, I thought I was about to traverse a vast political expanse. The differences of culture, language and history are indeed great. But after a few days in Tehran, I found that the politics of exclusion and control were not that dissimilar.

It is a pity, for the people of Turkey and Iran have the energy and heart to fashion democratic societies, if only they had the chance.

The New York Times

Ignore the IMF and Bring Interest Rates Down in Asia

By Philip Bowring

HONG KONG — This time,

Malaysian Prime Minister Mahathir bin Mohamad has it right. Asia (excluding Japan) is being crippled by extraordinarily high interest rates that threaten to turn a necessary sharp, sharp recession into a depression. Policy must be changed, regardless of the IMF.

Mr. Mahathir may see conspiracies of foreign capitalists. Koreans like Kim Woo Choong, founder of Daewoo, may see a Western desire to cripple South Korea's industrial challenge. Many in Asia may see a United States using the sudden withdrawal of Western capital as a lever for its trade and investment policies.

But there is no need to look for such ulterior motives. Short-sighted stupidity is as good an explanation as one will find for the march toward depression.

This is not the time to be re-examining the causes of the crisis or apportioning blame. It is time for action to bring down rates everywhere.

In almost every economy in East Asia, real (inflation-adjusted) prime lending rates are well above 5 percent. In the cases of

South Korea and Thailand, the countries where the IMF has had most impact, they are in double digits.

The collapse of domestic demand around the region has stunned even the most pessimistic forecasters. GDP estimates are everywhere being slashed, for 1999 as well as this year. Yet the position of the IMF seems to be that this shows that the countries which take its medicine are responding correctly.

Take the latest letter of intent issued in connection with the Fund's support for Thailand. It now envisages that tight monetary policy will result in a current account surplus of 7 percent of GDP this year. Such a huge surplus can be viewed as desirable only if priority is given to repaying short-term loans made by imprudent, and not infrequently corrupt, foreign banks.

The surplus is possible only because of a collapse of local demand and hence of imports. Is that really what is good for Thailand and its trading partners?

The same applies in South Korea. Its trade surplus is now

running at \$3.5 billion a month despite flat exports. If this continues, its current account surplus could hit 10 percent of GDP, while the economy as a whole contracts by at least 5 percent.

Interest rates of around 20 percent are supposed to bring currency stability and induce corporate reform. But by collapsing domestic demand they have impaired the viability of many of South Korea's largest companies, and thus their ability to continue borrowing from foreign banks and credit markets.

Reducing *chaebol* leverage is a desirable long-term goal, but even in the best of circumstances it could only be achieved slowly. It is almost impossible at present, when all corporate cash flow has to be devoted to interest payments.

It is impossible to imagine any Western government imposing the kind of monetary policies now being faced in much of Asia.

They would be understandable if there were strong inflationary pressures or large fiscal imbalances. In fact, apart

from the one-off impact of devaluation, inflation is nowhere to be found. Deflation is everywhere. Prices of everything except money have collapsed. Fiscal deficits are still tiny.

If it were just one country suffering a severe recession, very tight policies might not matter to others. But regional decline is self-reinforcing.

South Korea and now China are hurting because of the collapse of their important Asian export markets. The wells of overseas Chinese capital are everywhere drying up as liquidity problems are transferred from one country to another.

Hong Kong and China have to keep interest rates high to protect their currency pegs to the dollar. Even in Malaysia, with its relatively small foreign debt, Mr. Mahathir's hopes of interest rate cuts are running into opposition from a central bank mouthing IMF orthodoxies.

Lower interest rates are not a cure-all. Huge investment mistakes have been made and must be paid for. But crippling rates are driving viable businesses to the wall to achieve the current account surpluses now deemed

necessary for currency stability.

The IMF pretends to be a lender of last resort, and dictates policies as if it were. But it has neither resources nor the will to require major shareholders to address the international problems caused by their banks in the name of open capital markets.

And Western hubris is growing. Even the normally sensible Alan Greenspan has opined that "the Asian crisis is a milestone in the global trend toward capitalism."

Not only does he forget the still reverberating U.S. savings and loans debacle, he seems unaware that many in Asia see the crisis as that of the form of capitalism espoused by Mr. Greenspan — unrestricted money flows.

Asian resentment of Western prescriptions will escalate dramatically if output keeps falling. For everyone's sake, countries should start now to mitigate recession by reinvigorating domestic demand, whatever the views of the IMF or of the fashion houses of finance, the foreign investment banks. Keynes or common sense will do better.

International Herald Tribune

First, Habibie Has to Restore the Indonesian Economy

By David G. Brown

WASHINGTON — Expectations about Indonesia's

new president, B. J. Habibie, are extraordinarily low. He is seen as a clone of former President Suharto, chosen by Mr. Suharto for loyalty rather than ability, in the belief that he would protect the extensive business interests of the Suharto family. International financial markets and many Indonesians view Mr. Habibie as someone who instinctively resists reform.

Yet in his first few weeks in office he has sought to defy these expectations by energetically trying to set a course for political and economic reform. His actions may have been motivated by necessity and self-preservation, but they reflect an appreciation of the new Indonesian realities.

Mr. Habibie has accepted the political necessity of reform. He signaled his openness by meeting immediately with opposition figures and by starting to release political prisoners.

The government recognized the banned Indonesian Welfare Labor Union led by Mochtar Pakpahan, and promised to sign key International Labor Organization conventions.

Mr. Habibie has not succeeded in forming a broad-based official council to guide political reform, because reformers are reluctant to publicly commit to his leadership of the process. He has, however, begun meeting informally but regularly with a group of credible public figures ranging from the oppositionist Amien Rais, who heads Indonesia's second-largest Muslim social organization, to former cabinet minister Emil Salim.

The new president has revealed the general outlines of a reform program leading to open elections next year.

In an effort to win back the business and investment of Indonesia's influential but traumatized ethnic Chinese minority, he visited riot-ravaged Chinatown to reaffirm his government's support for a policy of interethnic harmony.

Mr. Habibie has committed himself to economic reform and cooperation with the IMF. Jakarta has no choice but to take this course because it urgently needs access to the \$43 billion loan package that the IMF effectively controls.

He appointed a competent cabinet economic team, which retained key officials led by the coordinating minister for economics and finance, Ginandjar Kartasasmita, but replaced discredited cronies of Mr. Suharto with credible technocrats. He appointed a panel of economic advisors, including the respected Widyono Nitisastro, whose advice Mr. Suharto chose not to accept in recent months.

But this positive start does not ensure even short-term success.

Mr. Habibie's liabilities are legion. He is tarred with the legacy of the now disgraced Mr. Suharto. Not even concrete actions against cronyism can change the fact that he and his family have been deeply engaged in business dealings with Mr. Suharto's family. Students are calling for an investigation of Mr. Habibie's fortune. His initial response, a drawn-out investigation by the attorney general, will not satisfy critics for long.

Mr. Habibie has almost no political base on his own. He is mistrusted by many of the emerging reformist leaders, who suspect that he is manipulated from behind the scenes by Mr. Suharto.

Continued military support is the key to Mr. Habibie's survival. If circumstances show that he is not useful to the armed forces in maintaining order and carrying out the kind of measured reform they favor, they will see him as expendable. Even now, they probably view him merely as a transitional leader.

The precarious state of the economy, made worse by the recent rinting, could provide the pretext to bring Mr. Habibie down. His immediate problem is to restore the supply of daily necessities and stop the slide into poverty of the world's fourth most populous nation. That task is even more urgent than political reform.

Inflation is spiraling out of control and could exceed 100 percent this year. Recession is deepening, and unemployment is rising at an alarmingly fast pace. Even with rapid economic

reforms and heavy foreign assistance, Indonesia faces a bleak future that will be fertile ground for attacks on Mr. Habibie, or whoever should follow him.

By asserting that he will oversee political reform, he is trying to buy time as he positions himself between those from the Suharto era who wish to preserve their waning influence, and potential future leaders pressing for change and power. He is mistrusted, but he offers a prospect of change.

The lack of consensus on details and goals of political reform is a major problem for Indonesia. But it is a factor that Mr. Habibie may use to his advantage in a balancer's role. The magnitude of the country's predicament may incline opponents to give him time.

Yet he could be forced out quickly for personal mistakes or due to economic collapse or a shift in public sentiment.

He does have a chance of lasting until elections. Students have called for his removal, but Mr. Rais has signaled a willingness to give him a chance.

Mr. Habibie's prospects depend heavily on his ability to convince skeptical Indonesians that he can improve their economic conditions while playing the role of a transitional leader overseeing a process of genuine political reform.

The writer, a former U.S. diplomat, is a senior associate at the Asia Pacific Policy Center in Washington. He contributed this column to the International Herald Tribune.

Emerging Support for the New President

By Gerry van Klinken

SYDNEY — Two broad new

political groups are emerging in Indonesia with substantial middle-class support. One is Islamic, the other secular. In a country with a population of more than 200 million in which Christian, Hindu, Buddhist, and other minorities coexist with a Muslim majority, religion provides an important cleavage line in politics.

Amien Rais heads the Islamic group. Its most surprising aspect is that it now fully backs the government of President B. J. Habibie. Mr. Rais has gone from being a courageous and outspoken opponent of the Suharto regime to being the strongest supporter of its successor.

Is Mr. Habibie then the democrat that President Suharto was not? Hardly, when half of his cabinet was retained from the last Suharto cabinet. There is real talent among them, but they have by no means disavowed the past.

Why has Mr. Rais, the democrat, thrown his weight behind Mr. Habibie? Because Mr. Habibie, former head of the Indonesian Muslim Intellectuals' Association, is seen as an Islamic president.

Suddenly prominent among the emerging Islamic group is KISDI, the Indonesian Committee for Islamic World Solidarity, led by Achmad Sumargono. For several years KISDI and its associated Dewan Dakwah missionary organization have been vociferous but marginal. KISDI has organized demonstrations on issues such

as Western pornography and gambling, but also on causes that to the outsider appear anti-Semitic, anti-Chinese and intolerant of other religions, including the Javanese mystical religion.

When Mr. Rais addressed a recent meeting in Jakarta that included 10,000 representatives from 44 Islamic groups, he urged people to cease attacking Mr. Habibie's government and give it time to show what it could do. Other speakers promoted the idea of an Islamic political party.

KISDI's Mr. Sumargono yelled out, evidently to the approval of those present, "Islam yes, Islamic party yes."

The secular group is clustered around Emil Salim and Nurchoil Madjid. Mr. Emil is a former cabinet minister who stands for market-oriented reform. Mr. Madjid is an Islamic intellectual of the tolerant kind who has long said, by contrast to Mr. Sumargono, "Islam yes, Islamic party no."

The secular group initially placed itself in opposition to the Habibie government. But it recently toned down its opposition and renamed itself the Counterweight Group, presumably because it does not want to alienate itself from Mr. Habibie by being overly confrontational.

Why has this secular group softened from being an opposition force to one that is merely a corrective to the Habibie administration? There are two reasons.

One stems from a remark by Mr. Madjid that Mr. Habibie is now seen by many in Indonesia as an Islamic president.

If moves were made to oust him, which would in fact not be difficult to do, then his Islamic supporters would not only defend themselves, they would attack Mr. Madjid warned.

That in turn, he fears, would trigger a possibly bloody takeover by the army, which is determined to block moves to replace Indonesia's secular state with an Islamic regime.

The other reason has to do with Mr. Salim's links to economic policymakers. Many economists and senior officials plead for concerted action and national cohesion to stabilize the rupiah. The powerful commander of the armed forces, General Wiranto, also wants priority given to economic recovery. The military dreads the prospect of 18 months of free-for-all politics.

Confident of support from Mr. Rais, Mr. Habibie has moved to embrace the secular group by coopting several leading technocrats into an important economic advisory council.

If these are to remain the two main political groups in post-Suharto Indonesia, it is likely that Mr. Habibie will stay in office for some time yet.

The writer lectures in Southeast Asian Studies at Sydney University and edits Inside Indonesia magazine. He contributed this column to the International Herald Tribune.

IN OUR PAGES: 100, 75 AND 50 YEARS AGO

1898: War Reporters

PARIS — [The Herald says in an Editorial:] Very few people ever give a thought to the dangers run by newspaper correspondents in time of war. The peril is often great. Our correspondents in the Philippines indirectly give a glimpse of all this in their dispatches. In a matter-of-fact way, Mr. Stickney tells of the difficulties he encountered in trying to approach the Spaniards, of the way the Spaniards fired upon him and a group while he was photographing.

1923: Soviet Memorial

PARIS — [The Herald says in an Editorial:] The Soviet government has authorized an open competition among Communist sculptors for a monument to the late President Sverdlov, who was at the head of the Soviet

Legislature at the time of the Tsar's murder, to commemorate the services rendered to the revolution by Sverdlov as the "initiator" of the Romanoff massacres. To make the memorial striking, it is to be set up in front of the house where the Tsar, his wife and four daughters and only son were put to death.

1948: Lumiere Dies

PARIS — Louis Lumiere, "grand old man" of French scientific invention, constructor of the first cinema projecting apparatus and first maker of photographic color plates, died Sunday [June 8] at his villa on the Riviera. He was eighty-four years old. It was three days after Christmas in 1895 that he and his brother gave the first public exhibition of motion pictures in Paris. Later in life Louis Lumiere was fond of remarking that it was Hollywood that had turned his "toy" into an industry.

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OPINION/LETTERS

NATO Needs to Keep Out Of the Kosovo Quagmire

By Frederick Bonnard

BRUSSELS — Once more, miserable groups of old people, women and children stream down Balkan mountainsides, fleeing their burning homes. With Bosnia fresh in the mind, calls for NATO action in Kosovo are becoming more strident.

A number of immediate measures were agreed upon at the recent meeting of the alliance's foreign ministers, and further options are under examination. NATO Secretary-General Javier Solana has said repeatedly that "nothing is ruled out."

But one thing should be ruled out: an armed incursion by the North Atlantic Treaty Organization into Kosovo.

The comparison with Bosnia is erroneous and dangerous. In Bosnia, Muslims were defending themselves against murder and expulsion by well-armed Bosnian Serbs. In Kosovo, the self-styled army of liberation is fighting the regular Yugoslav military in an attempt to break away from Serbia. A NATO incursion would be seen as support for that movement — something else again from stopping mass murder.

The postwar European settlement was determined by the 1975 Final Act of the Helsinki Conference on Security and Cooperation in Europe. This rests on the axiom that frontiers will not be changed by force. The Federal Republic of Yugoslavia, consisting of Serbia and Montenegro, is a legally recognized country with internationally accepted borders. Kosovo is a province of Serbia, whatever the so-called ethnic composition of its population.

Breaking or circumventing this axiom would be extremely dangerous. It would be opposed by other parties to the Final Act, Russia in particular. It would also open a Pandora's box in the ethnically intermingled Balkans.

There is also a practical aspect: An attack by NATO in Kosovo would be countered by regular Yugoslav troops. Unlike the ragtag forces of the Bosnian Serbs, this is a disciplined and well-organized force that would be defending its homeland against external aggression.

Although NATO could undoubtedly raise a larger and technically far superior force, an attack could be extremely costly in

terms of Yugoslav and allied casualties. The outcome would be uncertain: it could well become NATO's Suez.

In fact, neither the will nor the means for such action exist in the alliance. The U.S. Congress is attempting to reduce military commitments overseas. All European allies are streamlining their forces and shaping them for rapid deployment to crisis points rather than for engagement in a massive, possibly drawn-out, conflict.

Nevertheless, the Kosovo crisis must be faced. In addition to the increasing exodus of refugees, the danger of the conflict's spreading to neighboring countries is evident. It could draw in Albania as well as Macedonia and Bulgaria, which have sizable ethnic Albanian elements, in addition to Greece and Turkey.

As immediate measures, NATO will begin helping Albania reconstitute its army and will organize peacekeeping exercises in Albania and Macedonia. It is also sending a naval force to the Albanian port of Durres, and an airborne warning and control detachment is to move to Macedonia this week.

Further options include deploying NATO forces along the Albanian border with Kosovo, reinforcing the small UN force in Macedonia and establishing a no-fly zone, similar to that enforced over Bosnia.

But an incursion into Kosovo is not under consideration, and suggestions that one is are dangerous and harmful. As long as intervention appears a possibility, it raises expectations that cannot be met and that can result in actions by the Kosovo Liberation Army that would cause further bloodshed.

President Slobodan Milosevic of Yugoslavia is rightly detested for the havoc he has caused with his policies and actions. He should be made to respect the rights of individuals and minorities. But methods and organizations other than NATO exist — and action by them is now essential.

The writer is editorial director of NATO's 16 Nations, an independent military journal. He contributed this comment to the *International Herald Tribune*.



LETTERS TO THE EDITOR

Headstrong French

Regarding "Pilots' Walkout No One (Especially the French) Should Be Surprised" (June 4): France doesn't care what anyone else thinks? So what else is new?

Given this, how can anyone expect the euro to succeed? How can an enormously complex and risky joint venture of 11 partners work if one of the two most important partners will generally do exactly what it wants — and if what it wants is determined by narrow, nationalistic interests?

The British, Swiss and Scandinavians are wise to stand aside from this shaky house of cards. But in or out, all risk getting caught up in the economic and social maelstrom that is likely to engulf Euroland a few years down the line.

FRANK PEEL
Geneva.

Shop-Floor Reform

Regarding "Nike's Reforms" (Editorial, May 19): The editorial correctly stresses the role of independent moni-

tors in ensuring that corporate pledges are translated into shop-floor practice. Independent monitoring by itself, however, is not sufficient to ensure respect for minimal worker rights and occupational and environmental health and safety standards.

No independent monitor can substitute for the independent organization of workers through their trade unions, which must be represented on the monitoring bodies for these to meaningfully do their job.

Now that the promulgation of corporate codes of conduct — often by companies with atrocious records on worker rights — is becoming a growth industry, consumer attention should be drawn to the need for independent trade unions to be guaranteed the right to organize.

Codes of conduct without guarantees of trade union rights are marketing ploys, pure and simple.

RON OSWALD
Geneva.

The writer is general secretary of the International Union of Food Workers.

Colorado Whining

Regarding "A Drop of Wine, a Lack of Sense — and How" (Meatwreck, June 5) by Richard Cohen:

I had to shake my head in amazement when I read that a Colorado school principal had been demoted because he allowed a group of teenagers to have a sip of wine with a meal during a class trip to Paris.

How can someone who declares that "the laws of that country" — France — "mean nothing to me" be superintendent of a school district?

What did he send the youngsters to France for in the first place — to have Big Macs, drink Coke and visit Disneyland?

P. ARMSTRONG-SEE
Greenville, Denmark.

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

Theatrics of the Masses, For All the World to See

By Sunanda K. Datta-Ray

SINGAPORE — Even for someone who cannot cope with anything more energetic than jumping to conclusions, I know that football is theater of the masses. It could also be their opiate, judging from a little-noticed riot that broke out in Jakarta at the height of the political crisis be-

tween the posts to win Singapore the coveted Malaysia Cup.

Of Calcutta football's big three clubs, Mohun Bagan represents the metropolitan ethnic while East Bengal celebrates the sturdy spirit of the districts that now make up Bangladesh. The third, Mohammedan Sporting, stands for the sectarian loyalty that its name indicates.

Yet universalism, rather than parochialism, is football's hallmark. Even ethnically exclusive Japan lowers the race barrier when it comes to kicking a ball. An Austrian manager and a striker from Cameroon make the Gamba Osaka club dazzlingly cosmopolitan.

Nigerian, Sudanese and Brazilian players have not yet diluted the dogged Bengali identity of Mohun Bagan and East Bengal, but a Bangalore liquor club now owns both clubs.

As a character in "Football," a popular play by the Calcutta theater group Nandikar, says: "I can't play. I can only watch." So I savor the excitement of football.

Cricket is regarded as India's game; golf excites Japan; Hong Kong goes mad over racing. But football is politics and passion, commerce and conspiracy, shamateurism and syndicates. It is also a spectacle of skill, strength and stamina in which boys become men and men can be boys to their hearts' delight.

With so much going for the game, I am waiting now for a footballer to make it to the top of the political pedestal. If Joseph Estrada, a former movie actor, can become president of the Philippines, why not Romario for head of state in Brazil? It would be sweet revenge for being axed from the World Cup team.

The writer, a former editor of *The Statesman* newspaper in India, is now an editorial consultant with *The Straits Times* in Singapore. He contributed this comment to the *Herald Tribune*.

MEANWHILE

cause the favorite East Java team, Persebaya, lost to West Java's Tangerang.

This may surprise those who think of the World Cup matches in France in terms of English hooliganism and Latin anarchy. Only four Asian countries are taking part, but Asians are by no means indifferent to the drama of dribble, feint and pass.

Not only do 70 percent of the world's footballs come from Sialkot in Pakistan, but the game is believed to have originated from China's *tsu* (kick) *ch'u* (a stuffed leather ball) 2,500 years ago, and from the somewhat similar Japanese sport, *kemuri*.

If football, or soccer, is seen as Europe's gift to the world, Asia got its own back two years ago when Far Eastern syndicates were accused of fixing English matches.

This is the political dimension I grew up with in Calcutta, a city that has never forgotten a heady July afternoon in the high noon of empire when barefoot Bengali lads of the local Mohun Bagan team humbled booted British soldiers of the East Yorks regiment.

The story goes that as the victory procession stomped through the streets of what was India's capital in 1911, fans urged the players to storm Fort William, the British citadel that dominated Calcutta. Goshito Pal, who played in that celebrated match, is the only sportsman to be honored with a statue in the intensely politicized city.

The link with nationalism is established in Britain, where England-Scotland matches resonate to "Flower of Scotland," a song celebrating the 14th century battle of Bannockburn, a rare Scottish victory over England. More recently, Britain set another precedent by choosing a foreigner as Footballer of the Year for the fourth successive season, a Dutch striker this time. Football is na-

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SIMCO THAI SILENK

A New Generation In Ready-to-Wear *Alber Elbaz Gets Aboard at YSL*

By Suzy Menkes
International Herald Tribune



Pierre Berge, couture president.



Alber Elbaz, Rive Gauche designer.



Yves Saint Laurent stays at couture.

PARIS — In appointing a new, younger designer to beef up Yves Saint Laurent's Rive Gauche ready-to-wear, Pierre Berge, president of Yves Saint Laurent couture, is following a path already beaten by other French couture houses — but with three important differences.

First, Saint Laurent is still around and the impetus came from him: He wanted out of the ready-to-wear after 32 years of designing both that and haute couture. Second, the chosen designer, the smart and kooky Alber Elbaz, will work only for the house and not for his own line. Third, it sets in motion a train of events that will unroll as the time comes for Berge himself to depart in 2001, when he will be 70.

When the French beauty and pharmaceutical giant Sanofi SA, a subsidiary of Elf Aquitaine, bought the YSL business five years ago, it signed a limited contract with Berge, giving Saint Laurent an option to stay until 2005. But the situation is further complicated because Sanofi is known to be considering off-loading its beauty business, as it did with Nina Ricci, and YSL might theoretically be sold in the interim.

Berge reiterated Saturday his previous statement that there is no question of any other designer taking over haute couture, which will be shut down if the designer so chooses. The current move, he says, is designed to "protect and comfort Yves," who will be 62 on Aug. 1, and allow him to concentrate on his first love: couture.

Although Saint Laurent was the first couturier to focus on ready-to-wear and put the Rive Gauche line at the crest of the new fashion wave in the 1960s, for the last three seasons he has been showing capsule collections to a handful of journalists. He was not prepared to take on again the stress and drama of a major show to capture media attention.

"I also wanted to give some new blood to the house," said Berge, who had already appointed a menswear designer two years ago and seen the bolstering effect of a young take on the rich YSL patrimony.

For Elbaz, who turns 37 this week and

who has signed a three-year contract, it is an exceptional, if daunting opportunity.

Born in Casablanca (and therefore sharing Saint Laurent's North African connection), the designer was reared in Israel and is a graduate of its Shenkar College of Textile Technology and Fashion. He was trained in New York during seven years with Geoffrey Beene, one of the rare American designers to work to couture standards.

Elbaz was taken on two years ago by the French house of Guy Laroche, which gracefully paid tribute to the designer's talent and dedication on Saturday — and wished him luck.

"For me, this isn't a career move, but the realization of my life's dream," Elbaz said to Berge. Those words, along with his ebullient personality, appetite for work and technical skills learned from Beene, endeared him to Berge. He attended the most recent Laroche fall-winter show, when jaunty, but relatively classic and wearable clothes were presented at an ice-skating rink.

Under the terms of his departure, which will not take place until after he presents a spring-summer line for Laroche in October, Elbaz cannot discuss his new role. But friends say that the decision was made after much anguish in discussion with Ralph Toledano, president of Laroche.

"I am very sorry he is going, but I am proud that I found him — that I went after an unknown," Toledano said, referring to the star system at couture houses that have courted media publicity by taking on big-name designers who keep their own lines.

HOWEVER, there are some clouds of doubt in this sunny scenario. Berge admits that Elbaz has been appointed without meeting Saint Laurent and that he will work not alongside the designer, but in a studio adjacent to the couture house. Sources at the house, where a studio team will produce the October collection, say that Saint Laurent has distanced himself from the new appointment. However, the success of Hedi Slimane as Saint Laurent's menswear designer, should be a good omen for Elbaz.

This change at the heart of the French



Carla Bruni in bird dress from Saint Laurent's 1988 cubist collection, and, inset, velvet bolero and taffeta skirt from 1976 Ballets Russes collection.



Miuccia Prada

fashion world suggests that the game of designer musical chairs that has been going on throughout the 1990s is now taking a new form. Laroche, now forced to find another designer, joins the houses of Balmain and Nina Ricci, which are searching for new talent. All are insisting that the designer be full-time, relatively low-key and take reasonable paychecks. The era of the megastar mercenary, sent in motion by Karl Lagerfeld when he was taken on at Chanel in 1983, is definitely over.

The concept of a Gucci-Prada merger which sent shock waves through the fashion world last weekend is not on — according to Domenico de Sole, Gucci's president.

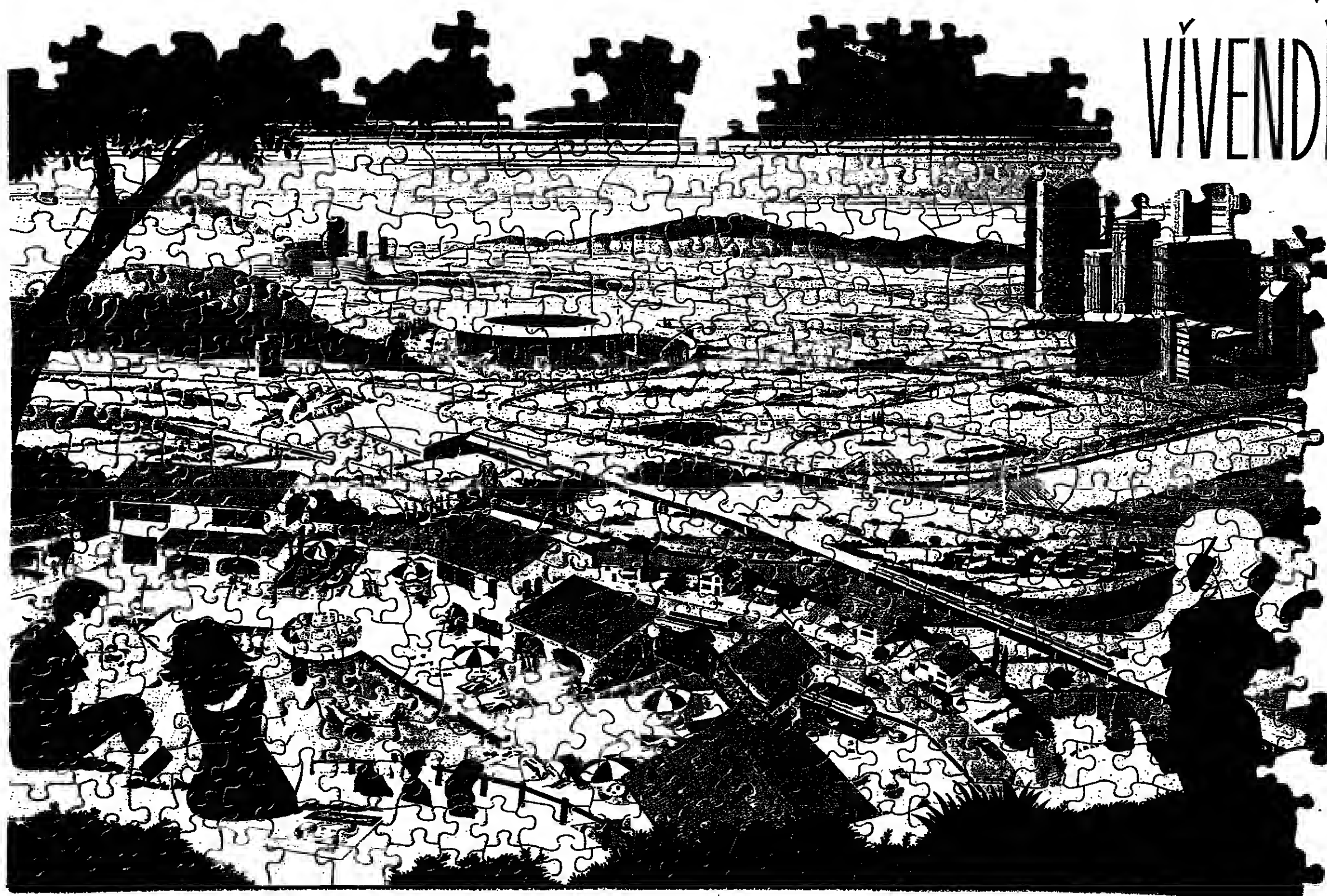
"I do not need them — we had an

excellent performance and we are flush with cash," said De Sole in response to the 5 percent stake his archival, the Italian bag and shoe company Prada, has taken in his company.

Patrizio Bertelli, husband of Miuccia Prada and the company's CEO, described the acquisition as "a financial investment," but did not explain why he had sunk more than \$120 million into Gucci. Miuccia Prada said Monday that it was a desire to "diversify our investment" — and Gucci was chosen because it is an area in which the company is knowledgeable.

A Morgan Stanley analyst said Monday that it was unlikely that Prada "could or would launch a bid for Gucci," because it is a smaller company "whose balance sheet probably could not support such a major acquisition."

The perennial mixedo, launched in 1966, in its 1995 version.



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Saint Laurent Sunny Side Up for World Cup Spectacular

By Suzy Menkes
International Herald Tribune

PARIS — Yves Saint Laurent is no longer in or out. He is beyond fashion.

Wednesday kicks off the month-long fest that will lead to the apotheosis of the designer's 40-year career: the largest fashion show in a global universe, before 80,000 spectators and an estimated television audience of 1.7 billion.

Saint Laurent has been asked to stage a 12-minute parade at the final of the World Cup soccer championship on July 12 — a testament to the 61-year-old French designer's status and a recognition of his revolutionary aesthetic that fused male and female style and has marked the fashion century.

And there is another reason the habitually anguished designer suddenly seems to be turning sunny side up.

On Saturday, the house of Saint Laurent announced that it was taking on a new designer to lift the burden of the ready-to-wear shows from the couturier's fragile shoulders. Alber Elbaz, 36, formerly with Guy Laroche, will take over from spring 1999 the Rive Gauche collections that initiated couture ready-to-wear in 1966.

With the prospect of designing only July haute couture, and after a holiday in Marrakesh, where his broken arm has healed, Saint Laurent gives a half-moon smile as he surveys four decades in the salon of his couture house.

"It's my life," he says of the bird of paradise feathers, the patchworks of velvet, the brocade coats, smoky chiffon and sleek tuxedos.

"I do feel emotional," he admits. "But I don't feel pride as much as surprise, when I see all this and I think it is only half my work, because it barely includes the daytime clothes."

Divided into different sections, from opulent, through the exotic to the linear and classic, the outfits have been chosen to express creative highlights, like the 1966 dress inspired by Piet Mondrian and the fireworks of color in the 1976 Ballets Russes collection — the first time, the designer says, that he etched entirely with colored pencils. What would he like the World Cup event to express?

"I want this show to make people learn — but I would also like them to understand how much work it represents," he says. That includes six hundred hours of handwork that went into a jacket embroidered with van Gogh's "Sunflowers" — a witty 1988 take on the record price paid for the painting. To prove that it is not just a museum piece, couture client Mouna al Ayoub walked



Yves Saint Laurent in his salon, surrounded by the World Cup show outfits, holding the sun-ray cape of 1988 and watched by his dog Moujik.

in last week and ordered its companion: the van Gogh "Irises" jacket.

"I am sure we could make an entire new collection by choosing judiciously," said Pierre Berge, Saint Laurent's often acerbic partner, now in benign mood.

There is a museum atmosphere, as a team of fashion experts pours reverently over the detailed archives that include, in Berge's words, "every sketch, every button, every reference to every button." Staff members even don white gloves before daring to touch a cape with a sunburst of embroidery or a jacket with a harvest of grapes at the shoulders. By 2000 all will be housed in specially constructed premises in the La Villette area of Paris.

Yet when Carla Bruni slips into one of these living monuments — a white dress shaped like the birds of Georges Braque — it looks as lyrical and playful as if it had been designed today. It will be hard for the TV audience to believe that some designs are 30 years apart.

And if he could choose only one single outfit? "A tuxedo, because it corresponds to a modern woman," Saint Laurent inevitably says.

Yes, the designer admits, he was aware of the rumbling social, sexual and political changes when he put women into broad-shouldered trouser suits, pea coats, leather blousons and safari jackets — and when he opened a boutique on the fermenting Left Bank in 1966.

"1968 was a year of change and the year of the pants," says Saint Laurent. The result was clothes that, in Catherine Deneuve's words, helped newly liberated women to "confront a world of strangers."

Berge states the case more precisely: "I have always said that Chanel gave women liberty in fashion — and Yves gave them power," he says.

Saint Laurent's once revolutionary daytime silhouette is so established that he did uniforms for the 3,500 personnel for the World Cup.

Yet his work is not just about practical dressing but also about an artistic, interior vision. Diana Vreeland, the iconic American Vogue editor who inspired

the 1983 Saint Laurent exhibition at the Metropolitan Museum in New York, described him at 21 when he took over at the house of Dior: "A thin, tall boy in a thin suit ... not really part of the world — he was something within himself."

When you ask Saint Laurent where the Ballets Russes collection came from, he replies: "Inside my head." And how did he select the World Cup outfits from 30,000 archive dresses? "I don't really remember — they chose themselves."

Occasionally the designer will open a shutter on that hidden world. He is so struck, he says, looking round the salon, by the explosion of color in his work. Some inspiration comes from the art — a Picasso, Matisse or Velazquez on the

walls of his apartment. He looks at books. But sometimes ideas bubble up from memories of a North African childhood spent in Oran, Algeria, or from his discovery of Marrakesh.

"Algeria was so colorful — the women were veiled in white," he says. "But in Marrakesh, the colors of the djellabas are so extraordinary — sometimes you see bunches of them and you could swear they grouped themselves like that deliberately."

The 1940s-style collection of 1971 was triggered by a flea-market dress worn by Paloma Picasso, but it stirred earlier memories.

"I was a little boy, my mother was going off dancing at an American Air Force base and someone lifted me up and I looked through the window and watched her," he says. "The dress was black jersey with a bouquet of flowers — I can see it in front of me still."

One of Saint Laurent's mythic pronouncements (along with wishing he had invented blue jeans) is the idea that all a woman needs to look chic is a roll-neck sweater and a pair of pants.

"Black pants," he insists. "And yes, it is still valid — of course you change the proportions of the pants — and I do, although you may not notice!"

Behind the reserved manner lies a beguiling sense of humor. Is he interested in the soccer? A raised eyebrow and a sweet clown's smile: "I am more for tennis." What about the coming couture collection? Another weaker smile. "Ca ira — we'll get there."

What has caused a diminishing of the anguish? Loulou de la Falaise, his fashion comrade, calls it "the ups and downs of the creative mind." It could be a mellowing that Berge expresses when he says: "We go back a long way — we know our roles."

Or maybe Saint Laurent knows in his heart that whatever happens now — even another designer doing the ready-to-wear or a weak couture show — would not affect fashion history.

Last week, the ultra-cool Paris store Colette celebrated the couturier's 40 years in fashion as a hip happening with an exhibition of fashion photographs. Among the crowd was Jeremy Scott, the wild and inventive American designer who was hoping that Saint Laurent, his hero, would sign his book.

What does Saint Laurent mean to 24-year-old Scott?

"Chic," he said. "It's about confidence and elegance and everything that I have learned since I came to Paris."

Why has Saint Laurent never trained a successor but left Berge to pick a dauphin for him? A long silence and then a whisper: "I don't know."

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The Associated Press.

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PAGE 15



In Basel, from left: Jean-Claude Trichet, Bank of France chief; Andrew Crockett, BIS general manager, talking to Alice Rivlin, vice chairman of the Fed; Hans Tietmeyer, Bundesbank president; Wim Duisenberg, European Central Bank president; and Alfons Verplaetse, Belgian Central Bank chief.

Wells Fargo to Merge With Midwest Bank

Norwest Deal Extends Reach Nationwide

SAN FRANCISCO — Wells Fargo & Co. and Norwest Corp. said Monday that they would merge in a \$34 billion deal that would create a U.S. banking powerhouse with branches or outlets in all 50 states.

The combination of Wells Fargo, which is based in San Francisco, and Norwest, which is based in Minneapolis, is to have about \$191 billion in assets, more than 90,000 employees, about 20 million customers and 5,777 financial-services outlets worldwide. It would be the sixth-largest bank in the United States if all other bank combinations announced this year are completed.

The combined company will keep the Wells Fargo name and its San Francisco headquarters. But the Norwest chairman and chief executive, Richard Kovacevich, will be chief executive and president. The chairman and chief executive of Wells Fargo, Paul Hazen, will be chairman.

The combined bank's board will consist of an equal number of representatives of both companies. Norwest will exchange 10 of its shares for each share of Wells Fargo, whose stock has lagged following its hostile takeover in 1996 of First Interstate Bancorp. Shareholders of Wells Fargo will own 52.5 percent of the combined company.

Wells Fargo's shares closed up \$1.75 at \$36.5, while Norwest's shares fell \$2.75 to close at \$36.9375.

"This gets Norwest a great franchise in the West Coast," said Charles Vincent, co-director of equity research at PNC Bank Corp. "This is an area of great growth potential."

Norwest and Wells Fargo say the deal will allow them to cut costs by at least \$650 million a year by the third year in operation. But no decisions have been made on job cuts, a Norwest spokesman, Larry Haeg, said.

The companies expect to save \$200 million from systems consolidation, \$175 million from branches, \$155 million in general administration and \$120 million from operations.

The combination is expected to increase earnings per share by 7.6 percent in 1999 and by 9.4 percent in 2000.

(AP, Bloomberg, NYT)

Market Force of Institutional Investors Worries BIS

By Carl Gewirtz
International Herald Tribune

PARIS — The growing institutionalization of the world's markets could help undermine financial stability, the Bank for International Settlements warned in its annual report published Monday.

In a study of institutional investors and the forces that drive them at times into herd-like rampages, the bank also raised questions about whether regu-

latory structures — fragmented along industry and national lines — are adequate.

"Determining the appropriate allocation of regulatory responsibilities, both within and across countries, is a necessary first step, but implementing it is the critical second one," the BIS said, noting that recommendations made over a year ago to deal with international financial crisis management still had not been implemented.

Institutional investors — investment

companies, insurance companies, pension funds and money managers — are usually cast as the bedrock of financial markets, positively influencing market turnover, securities issuance, international capital flows, market stability, industrial organization as well as corporate governance.

Total holdings of institutional investors in North America, Japan and Western Europe were estimated at \$21 trillion as of 1995, more than the aggregate gross domestic product of the 18

countries concerned. But a mere 1 percent shift in only the equity holdings of institutional investors in the seven largest industrial countries would have been equal to a 27 percent share of market capitalization in emerging Asian economies and 66 percent of Latin American equity markets.

"A marginal portfolio adjustment by the investor can easily amount to a first-order event for the recipient," the BIS said in its first in-depth postmortem of the financial crisis that erupted in Asia almost a year ago.

The BIS, which monitors international banking markets, released its study as it hosted the annual meeting of central bankers in Basel, Switzerland.

The report did not fault institutional investors for playing any role in precipitating or deepening the Asian turmoil. But it made clear that the bank takes seriously the scope for potential damage — a function of the increasing importance of these professional investors as well as their methods of doing business — and said the problem "raises a number of issues on which there is as yet no clear consensus."

The Bank for International Settlements, which works with the world's central bankers, said that it could find no

Thinking Ahead / Commentary

Britain's Influence in Europe Declines

By Reginald Dale
International Herald Tribune

WINCHESTER, England — For nearly a quarter of a century, British prime ministers have struggled with a central dilemma: how to maintain the country's influence in Europe despite its lack of enthusiasm for the intensified European unification fought by most of its partners. Now the problem is suddenly more acute.

In a moment pregnant with historic significance, the British representative for the first time this month withdrew from a meeting of European ministers so that 11 other countries could prepare the start of their single currency, the euro, on a members-only basis.

Nothing could have been more symbolic of the continuing ambiguity of Britain's role in the European Union — an ambiguity that the elevation of the supposedly more "pro-European" Tony Blair to No. 10 Downing Street last year has done precious little to resolve.

Meetings of the so-called Euro-11 group can only gain in importance as the single currency and the further integration it will bring take root — meaning that Britain's voice in the EU's inner circle will grow progressively fainter.

The Labour government tacitly acknowledges that risk by arguing that Britain's exclusion does not matter too much because it will not be for very

long. Mr. Blair, after all, has committed Britain to joining the euro, in principle, perhaps in 2002.

But it will not be any easier for Britain to participate in a few years' time if Mr. Blair does not take the necessary economic and political steps to make it happen.

All of those steps are difficult; none of them are automatic.

They include actively persuading a reluctant British people to abandon the pound, together with a large chunk of cherished national sovereignty; bringing the British business cycle in line with that of the Continent and steering the pound's exchange rate downward without provoking charges of "competitive devaluation" from euro zone members.

Mr. Blair, however, is showing no sign of tackling these challenges. On the contrary, he has muddled the waters by saying that there is no constitutional obstacle to euro membership and that the decision will thus be taken on economic grounds — when in fact it will clearly depend on politics.

Winning the next election, probably in 2001, is Mr. Blair's top priority, not joining the euro. And he has good reason for being afraid of an issue — European integration — that played such a big role in the downfall of his two Conservative predecessors.

The latest opinion poll conducted by MORI Financial Services and Solomon Smith Barney shows 31 percent of Britons in favor of the euro and 54

percent against — almost exactly the same as in 1991, when the treaty establishing the single currency was negotiated.

Mr. Blair knows full well that any attempt to promote the euro through aggressive leadership would risk alienating voters and the generally anti-EU press. And he is not a politician who likes to offend any section of the electorate.

Ironically perhaps, the largely discredited Conservatives, in opposition for over a year, are probably more in touch with many voters — at least on the euro.

The Conservative leadership, as it moves increasingly toward open hostility to Europe, is at least more honest about the loss of national sovereignty the euro entails.

But the solution proposed by the Conservatives — just put off the whole thing for 10 years or so — is hardly an adequate alternative. Too much Conservative thinking is premised on the dubious assumption that the euro will be an economic disaster, while Britain will continue to prosper.

The Conservatives cannot satisfactorily explain how Britain might maintain its influence in Europe by staying outside the mainstream of European integration. But then, as the coming months will demonstrate, neither can Mr. Blair.

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6 More Markets Join IHT's World Stocks Table

Beginning Tuesday, the International Herald Tribune expands its World Stock Markets table to include daily share prices from six more markets: Athens, Buenos Aires, Istanbul, Prague, Shenzhen and Tel Aviv.

The table now tracks nearly 950 stocks from 36 bourses around the world, a significant pulse-taking of international investment flows and the global economy.

As with the current share listings, the new stocks have been selected because they have the highest capitalization among actively traded shares within their respective markets.

Only stocks that can be bought and sold by foreign investors are listed. In the case of Shenzhen, the first mainland Chinese bourse to be listed in the World Stocks table, only B shares have been chosen because they are

available to foreign investors. Prices are indicated in Hong Kong dollars.

For Buenos Aires, the table shows prices from the previous trading day because the market there closes after deadline.

To make room for the additional World Stocks listings, the daily Trib Index table has been moved to the Americas page, where it will appear daily above a shortened list of share prices from the American Stock Exchange.

Elsewhere, the Page One market digest box, which displays values for the dollar against other major currencies, the Dow Jones industrial average, and the S&P 500-stock index, has been enhanced to show the daily percentage change, as well as the point change, in the Dow and S&P 500.

CURRENCY & INTEREST RATES

Cross Rates									
	\$	£	DM	FF	Yen	Sc	Sw	DK	Other
Australia	1.5275	0.6938	1.3662	1.3662	1.3662	1.3662	1.3662	1.3662	1.3662
Canada	0.7140	0.3189	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140	0.7140
France	6.5596	2.9366	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596	6.5596
Germany	1.9364	0.8636	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Italy	1.9364	0.8636	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Japan	109.40	49.636	109.40	109.40	109.40	109.40	109.40	109.40	109.40
Spain	166.64	74.636	166.64	166.64	166.64	166.64	166.64	166.64	166.64
Sweden	8.4664	3.7564	8.4664	8.4664	8.4664	8.4664	8.4664	8.4664	8.4664
Switzerland	1.4536	0.6464	1.4536	1.4536	1.4536	1.4536	1.4536	1.4536	1.4536
Taiwan	35.4664	15.6364	35.4664	35.4664	35.4664	35.4664	35.4664	35.4664	35.4664
UK	0.6938	0.3189	0.6938	0.6938	0.6938	0.6938	0.6938	0.6938	0.6938
US	1.0000	0.4545	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Other	1.0000	0.4545	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Libid-Libor Rates									
	1-month	3-month	6-month	9-month	1-year	2-year	3-year	5-year	10-year
US	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25
UK	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
DM	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00
FF	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25	8.50
Yen	7.00	7.25	7.50	7.75	8.00	8.25	8.50	8.75	9.00
Sc	7.50	7.75	8.00	8.25	8.50	8.75	9.00	9.25	9.50
Sw	8.00	8.25	8.50	8.75	9.00	9.25	9.50	9.75	10.00
DK	8.50	8.75	9.00	9.25	9.50	9.75	10.00	10.25	10.50
Other	9.00	9.25	9.50	9.75	10.00	10.25	10.50	10.75	11.00

Key Money Rates									
	1-month	3-month	6-month	9-month	1-year	2-year	3-year	5-year	10-year
US	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25
UK	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
DM	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00
FF	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25	8.50
Yen	7.00	7.25	7.50	7.75	8.00	8.25	8.50	8.75	9.00
Sc	7.50	7.75	8.00	8.25	8.50	8.75	9.00	9.25	9.50
Sw	8.00	8.25	8.50	8.75	9.00	9.25	9.50	9.75	10.00
DK	8.50	8.75	9.00	9.25	9.50	9.75	10.00	10.25	10.50
Other	9.00	9.25	9.50	9.75	10.00	10.25	10.50	10.75	11.00

Other Dollar Values									
	Per \$	Per £	Per DM	Per FF	Per Yen	Per Sc	Per Sw	Per DK	Per Other
Australia	0.6938	0.3189	0.6938	0.6938	0.6938	0.6938	0.6938	0.6938	0.6938
Canada	0.3570	0.1594	0.3570	0.3570	0.3570	0.3570	0.3570	0.3570	0.3570
France	1.9364	0.8636	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Germany	1.9364	0.8636	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Italy	1.9364	0.8636	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364	1.9364
Japan	109.40	49.636	109.40	109.40	109.40	109.40	109.40	109.40	109.40
Spain	166.64	74.636	166.64	166.64	166.64	166.64	166.64	166.64	166.64
Sweden	8.4664	3.7564	8.4664	8.4664	8.4664	8.4664	8.4664	8.4664	8.4664
Switzerland	1.4536	0.6464	1.4536	1.4536	1.4536	1.4536	1.4536	1.4536	1.4536
Taiwan	35.4664	15.6364	35.4664	35.4664	35.4664	35.4664	35.4664	35.4664	35.4664
UK	0.6938	0.3189	0.6938	0.6938	0.6938	0.6938	0.6938	0.6938	0.6938
US	1.0000	0.4545	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Other	1.0000	0.4545	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000

Forward Rates									
	1-month	3-month	6-month	9-month	1-year	2-year	3-year	5-year	10-year
US	5.25	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25
UK	5.50	5.75	6.00	6.25	6.50	6.75	7.00	7.25	7.50
DM	6.00	6.25	6.50	6.75	7.00	7.25	7.50	7.75	8.00
FF	6.50	6.75	7.00	7.25	7.50	7.75	8.00	8.25	8.50
Yen	7.00	7.25	7.50	7.75	8.00	8.25	8.50	8.75	9.00
Sc	7.50	7.75	8.00	8.25	8.50	8.75	9.00	9.25	9.50
Sw	8.00	8.25	8.50	8.75	9.00	9.25	9.50	9.75	10.00
DK	8.50	8.75	9.00	9.25	9.50	9.75	10.00	10.25	10.50
Other	9.00	9.25	9.50	9.75	10.00	10.25	10.50	10.75	11.00

Private Banking
International

HOW TO BUILD

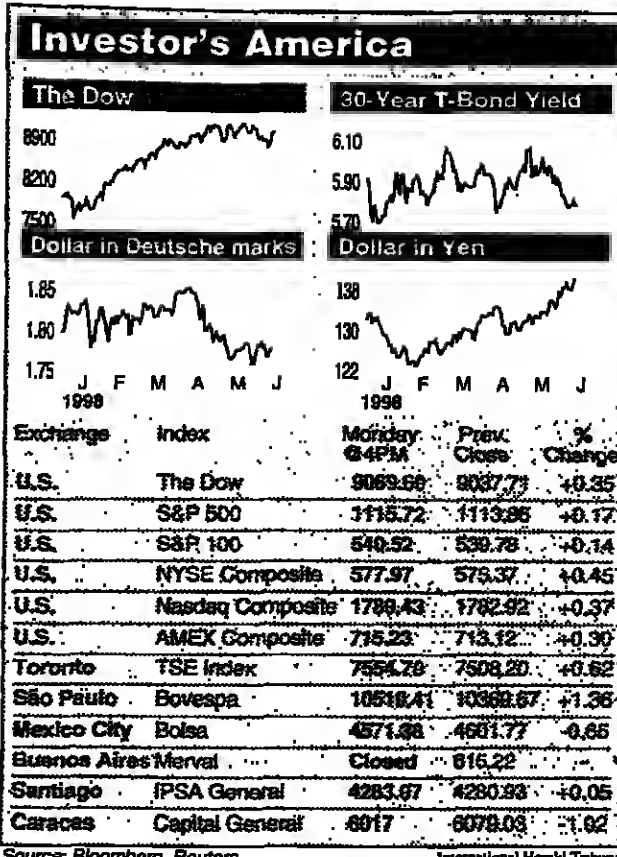
When you build the boat of your dreams, you know it is essential to call upon professionals. Only they have the skills and experience to understand your goals and make your project a reality. In very much the same way, when it comes to Private Banking, you'll benefit from Credit Lyonnais' more than 100 years of know-how. We know the value of listening first to fully understand your plans for future generations. Only then do we respond with just the right asset management solutions and investment strategies specifically adapted to your needs.

A PARTNERSHIP

Let's talk. CREDIT LYONNAIS Your partner.

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HONG KONG: 852 28 26 79 88 • SINGAPORE: 65 333 63 31

THE AMERICAS



Very briefly:

- Honda Motor Corp. agreed to pay \$17.1 million in fines and restitution for disconnecting pollution-monitoring equipment in 1.6 million cars. Honda also will spend \$250 million on free tune-ups and warranty extensions for the cars.
- President Kim Dae Jung of South Korea, visiting the New York Stock Exchange during his nine-day U.S. tour, told members of the world's largest stock market that South Korean stocks were "substantially undervalued."
- America Online Inc. has bought Mirabilis Ltd. for \$287 million in cash, giving AOL access to the Tel Aviv-based company's more than 12 million users.
- Symbol Technologies Inc., a maker of bar-code scanning equipment, withdrew its bid to buy Telcel Corp. for as much as \$925 million after Telcel rejected the terms of the offer.
- Lucent Technologies Inc., a maker of phone equipment, is to buy SDX Business Systems PLC, a British maker of digital communications systems, for \$124 million (\$203.7 million).
- U.S. regulators approved a \$10 billion proposal to dismantle Conrail Inc. and restore rail competition in several Northeastern markets for the first time in two decades.

AP, Bloomberg

Weekend Box Office

LOS ANGELES — "The Truman Show" dominated the U.S. box office over the weekend, with a gross of \$31.6 million. Following are the Top 10 moneymakers, based on ticket sales Saturday and estimated sales for Sunday.

1. The Truman Show	(Paramount)	\$31.6 million			
2. A Perfect Murder	(Warner Bros.)	\$16.3 million			
3. Godzilla	(TriStar)	\$16.1 million			
4. Hope Floats	(Twentieth Century-Fox)	\$8.5 million			
5. Deep Impact	(Orion Pictures)	\$6.7 million			
6. The Horse Whisperer	(Twentieth Century-Fox)	\$5.2 million			
7. Bulworth	(Twentieth Century-Fox)	\$3.2 million			
8. Titanic	(Twentieth Century-Fox)	\$1.63 million			
9. The Hot Chick	(Dimension Films)	\$1.4 million			
10. The Quest for Camelot	(Warner Bros.)	\$1.4 million			

The Trib Index

	Level	Change	% Change	Year to Date
World Index	195.84	+1.01	+0.52	+13.79
Regional Indices				
Asia/Pacific	81.60	-0.56	-0.68	-15.06
Europe	240.22	+1.05	+0.44	+24.44
N. America	247.82	+2.27	+0.93	+14.84
S. America	137.04	+1.36	+1.00	+10.24
Industrial Indices				
Capital Goods	240.83	+2.18	+0.91	+16.59
Consumer Goods	230.75	+0.81	+0.35	+10.02
Energy	216.36	-0.02	-0.01	+10.98
Financial	142.00	+0.98	+0.69	+15.48
Miscellaneous	155.99	+1.99	+1.31	+2.54
Raw Materials	213.51	+1.05	+0.49	+27.67
Services	207.33	+1.36	+0.66	+18.94
Utilities	172.94	-1.41	-0.81	+3.84

The International Herald Tribune World Stock Index tracks the U.S. dollar value of 280 internationally investable stocks from 25 countries. Compiled by Bloomberg News.

AMEX

Monday's 4 P.M. Close

The 200 most traded stocks of the day up to the closing on Wall Street.

Stock	Sale	High	Low	Open	Close
IBM	100	100.00	99.00	99.00	99.00
Microsoft	100	100.00	99.00	99.00	99.00
Apple	100	100.00	99.00	99.00	99.00
Oracle	100	100.00	99.00	99.00	99.00
Sun	100	100.00	99.00	99.00	99.00
HP	100	100.00	99.00	99.00	99.00
Intel	100	100.00	99.00	99.00	99.00
Motorola	100	100.00	99.00	99.00	99.00
Qualcomm	100	100.00	99.00	99.00	99.00
Lucent	100	100.00	99.00	99.00	99.00
Verizon	100	100.00	99.00	99.00	99.00
AT&T	100	100.00	99.00	99.00	99.00
WorldCom	100	100.00	99.00	99.00	99.00
Qwest	100	100.00	99.00	99.00	99.00
Sprint	100	100.00	99.00	99.00	99.00
Time Warner	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
Wal-Mart	100	100.00	99.00	99.00	99.00
Kroger	100	100.00	99.00	99.00	99.00
Target	100	100.00	99.00	99.00	99.00
Walmart	100	100.00	99.00	99.00	99.00
Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.00
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Costco	100	100.00	99.00	99.00	99.00
Home Depot	100	100.00	99.00	99.00	99.0

NYSE

Monday's 4 P.M. Close

(Continued)

12 Month	Stock	Div Yld	PE	100 High	Low	Latest	Chge
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How we helped Ms. Sophia Loren play a dual role.

No matter how unusual, when a guest has a special wish, we act.

Thus when the charming Ms. Loren, actress, expressed a desire to also be a typical Italian wife and cook for her husband, we were ready to play our part.

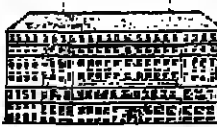
Within hours a kitchen was installed in her suite, setting the stage for her culinary talents.

Equally impressive was our staff's ability to read Ms. Loren's subtle expressions and gestures, and anticipate her every need.

And at times when she would rather not cook herself, our chefs stood in for her, serving up some of Europe's finest cuisine.

Even our location was as perfect as a movie set: overlooking the Inner Alster lake, yet close to the city's biggest attractions.

That, in short, is just one story in the Hotel Vier Jahreszeiten's history of over 100 years. Who knows, we may have yet another one when you come to Hamburg, and make a guest appearance at our hotel.



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Samsung
To Cut Chip
Production

BORDIER & C.

ASIA/PACIFIC

Samsung To Cut Chip Production

Compiled by Our Staff From Dispatches

SEOUL — Samsung Electronics Co. will halt production of all memory and most non-memory chips for one week starting Sunday to tackle a worldwide glut and falling prices, executives said Monday.

The company described the suspension as its largest-ever production cut and said it would have a "major impact" on the world semiconductor market.

Samsung Electronics, an affiliate of Samsung Group, holds 19 percent of the world's memory chip market—22 percent of 64-megabit dynamic random-access memory chips, or D-RAMs, and 11 percent of 16-megabit D-RAMs.

Samsung said it had taken steps to ensure that customers with long-term contracts would not suffer from the production suspension.

The company will continue to cut back on production until the chip supply glut has been resolved, Samsung said.

The suspension comes after Hyundai Electronics Industries Co. said last week that it was halting computer-chip production for one week, which started Wednesday.

The third big South Korean chipmaker, LG Semicon Co., has said it also was considering curtailing chip production.

Because of the suspension, more than 25 percent of Samsung Electronics' world memory chip supply will be reduced, a company spokesman said.

"This is expected to have a strong psychological effect on the market and help to turn prices around," Samsung executives gave no firm indication of the market effects of their move, saying Japanese chipmakers had already reduced production.

Japan accounts for 30 percent of world output, and analysts here say that only a joint output cut by the two countries could alleviate the global glut.

Samsung's move was prompted by the yen's rapid fall and by Asia's financial woes, which have weighed heavily on the chip market in Seoul and in Tokyo. (AFP, Reuters)

State-Run Computer Firm Dominates in China

Bloomberg News

SHENZHEN, China — When 1,000 engineers, assembly-line workers and salesmen from Legend Group burst into reverent song last month at a company meeting, it was clear they did not belong to just any computer maker.

Do not look for Silicon Valley free spirits and burgeoning stock options here. China's leading high-technology company is state-owned and marches to the beat of the ruling Communist Party. The company's rousing hymn is meant to promote unity, a sense of belonging to Legend and the People's Republic of China, managers say.

But unlike some other Chinese state enterprises, Legend is setting new standards for craftsmanship, customer service and cost-cutting. Sales doubled to 430,000 personal computers last year, and Yang Yuanqing, a vice president and the general manager of the computer division, predicted they will rise to 1.5 million by 2000.

Profit for 1997, which has yet to be officially reported, roughly doubled to 10 billion yuan (\$1.21 billion), he said, and should reach 33 billion yuan by 2000.

Opening the company's regional meeting in the southern "enterprise zone" city of Shenzhen, Chairman Liu Chuanzhi savored first-quarter sales figures that showed Legend controlling 12.9 percent of the Chinese market. That is nearly double the 6.9 percent share held by International Business Machines Corp., according to the industry monitor International Data Corp.

Hewlett-Packard Co. had 5.4 per-



A GAS—Honda Motor Co. introducing its U.S.-made, natural-gas-burning, eco-friendly Civic in its home market Monday.

cent, and Compaq Computer Corp. lagged with 4.4 percent.

"This proves that our operating principle is better than theirs," Mr. Liu said.

Or it may prove that being owned by the government gives Legend a leg up on its foreign competition.

Even with the company's impressive sales growth, the real winners in the Chinese computer market are the makers of no-name PC clones, often packed with pirated software and selling for two-thirds the price of brand-name machines. International Data pegged the market share for makers of clones at 57 percent in the first quarter.

Mr. Liu likes to tell about how several years ago Legend bought massive quantities of microprocessors from Intel Corp., betting correctly that prices were about to rise. That enabled Legend to make inroads against its major U.S. competitors and seize the momentum.

Legend's vast local sales network makes distribution much cheaper, he said, than for foreign companies.

"Our biggest advantage is in cost control," Mr. Liu said.

Within China's rigid business culture, set by party loyalists who run the big companies, Legend is decidedly informal. All employees

do name badges that deliberately omit their titles. Eschewing the customary ceremony that surrounds greeting business guests with jasmine tea in delicate porcelain, Legend executives offer paper cups.

The top management team numbers just five alongside Mr. Liu, while Legend's work force has an average age of 26, keeping a lid on the payroll.

The company sends many of those employees to the United States for training and has even set up a budding software team in Silicon Valley.

Legend's hopes for big earnings from software are not high, and exports are also negligible. Karim Davezac, an international data analyst in Hong Kong, said pirate program disks are so pervasive that the company sees little chance for profits from software until Beijing beefs up its enforcement of intellectual property laws.

Legend's success is largely embodied in Mr. Yang, the 33-year-old computer division chief who built the sales force to 2,000 from 18 in 1994 and helped turn around the company.

Mr. Yang acquired his knack for marketing and customer service as chief of distribution for Hewlett-Packard computer servers and printers, which are sold in China by Legend. Sun Microsystems Inc. and other allies contributed the radical idea of establishing specialist teams for marketing, sales and customer support.

Indeed, a recent government survey found Legend second only to Hewlett-Packard in customer satisfaction.

By continually slicing prices, Mr. Yang managed to increase sales 40-fold in four years and push state-owned Legend into the top five Asian makers of personal computers.

To be sure, China is not exactly a level playing field.

Some 80 percent to 90 percent of Legend's sales are to state agencies or other government-linked enterprises, according to Andrew Gaw, a computer industry analyst for DBS Securities in Hong Kong.

The company also has a generous credit line with the state-owned Bank of China, which last month granted it a 1 billion yuan loan, the largest ever to a Chinese computer company.

Still, both competitors and industry analysts are impressed with how Legend has broken from the legacy of inefficiency and feeble marketing that mark China's state-run enterprises.

Investor's Asia

Exchange	Index	Monday Close	Prev. Close	% Change
Hong Kong Hang Seng	11750	8,586.88	8,568.47	+0.20
Singapore Straits Times	1750	1,128.57	1,168.48	-3.41
Tokyo Nikkei 225	17800	15,284.71	15,323.43	-0.25
Kuala Lumpur Composite	497.78	505.05	505.05	+1.44
Bangkok SET	312.37	318.18	318.18	+1.82
Seoul Composite Index	345.38	341.59	341.59	-1.10
Taipei Stock Market Index	7,591.27	7,533.73	7,533.73	-0.80
Manila PSE	1,895.58	1,897.76	1,897.76	+1.98
Jakarta Composite Index	489.42	489.518	489.518	+0.02
Wellington NZSE-40	2,104.48	2,135.78	2,135.78	+1.47
Bombay Sensitive Index	3,416.73	3,417.89	3,417.89	+0.03

Source: Reuters International Herald Tribune

Very briefly:

- Metropolitan Life Insurance Co., the second-largest U.S. life insurer, plans to invest \$1 billion in Daehan Life Insurance Co., giving it as much as 50 percent of the South Korean company. The transaction will start as a loan, with an equity purchase option and reinsurance coverage.
- The Monetary Authority of Singapore outlined banking reforms that are to include ending the practice of maintaining hidden reserves, disclosing the market value of investments and lowering minimum cash-balance requirements as well as opening the local banking sector to foreign equity interest and to greater foreign competition.
- Iodda and Suzuki Motor Corp. of Japan have settled out of court a long-running struggle over the choice of managing director for Maruti Udyog Ltd., their joint-venture car company. Suzuki, which had objected to the choice of Ravela Bhaskarudu as head of the company, will have the right to choose the next managing director.
- The Japanese Finance Ministry has voided most of the written "notifications" it had issued financial institutions in an effort to improve transparency after several scandals involving ministry officials said to have accepted cotortainment from financial companies. The notifications were part of the ministry's practice of controlling the finance industry through so-called administrative guidance.
- Indonesian companies have \$20 billion in foreign debt due this year, while Jakarta has \$9.2 billion, said Ratus Prawiro, the government official in charge of resolving the debt crisis.
- Malaysia is considering raising the ceiling on foreign ownership of stock brokerages to 70 percent from 49 percent.
- Hitachi Ltd. of Japan plans to gradually move most of its domestic production of dynamic random-access memory chips to Singapore.
- Sanwa Bank Ltd. and Long-Term Credit Bank of Japan Ltd. announced plans to cut Continental European operations and focus business on London. Both banks will close their Paris branches this year and are considering closing their German branches.

AFP, Bloomberg, Reuters

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Monday's 4 P.M.

The 1,000 most traded National Market securities in terms of dollar value, updated twice a year.
The Associated Press

[illegible]

Continued from Page 15

statistical evidence to support accusations that hedge funds — very highly leveraged and aggressive investment pools — as a group were heavily involved in triggering or even intensifying the currency depreciations that ricocheted throughout Southeast Asia.

In looking at how the investment industry operates, the BIS said "risk and reward structures embedded in a delegated portfolio management relationship could impair managers' ability or willingness to take contrarian positions, thus reinforcing a herd-like type of behavior."

In addition, it noted that the lower capital risk weightings on short-term loans that banks make may have inadvertently contributed to a concentration of such lending, creating a fatal mismatch for borrowers when crisis strikes.

Moreover, it added that the 1994 bailout of Mexico — where holders of Mexican equities, long-term bonds or peso-denominated debentures suffering losses, while those holding short-term dollar-linked debt escaped — "may have distorted the pattern of capital flows from equity to debt, from long to short-term, and from local to foreign currency."

BIS also called for "further investigation" of why commercial banks continued increasing their exposure to Asian borrowers through mid-1997, while fund managers had begun reducing their exposure to the region at the end of 1996.

In addition, BIS said the private sector needed to find a way to "take some responsibility for the ongoing provision of credit to customers to whom they had previously lent all too freely."

■ Work Plan Criticized

The Bank for International Settlements criticized plans by countries to cut the working week, warning that a scale-back in workers' output could come as an added strain on the public purse. Bloomberg News reported from Basel.

In its annual report, the BIS, which coordinates the activities of the world's central banks, said rising health-care and pension spending were taking bigger bites out of national budgets. Workers putting in fewer hours would contribute less to state-run health-care and pension systems, obliging governments to finance them by taking on debt and boosting deficits.

The BIS was making a veiled reference to France and Italy, both ruled by center-left governments, which are gearing up to trim the work week to 35 hours by the start of the

next century. The plan has drawn protests from employers, who say labor costs will be at least 10 percent higher as a result.

"The relatively tepid response of national savings to fiscal consolidation so far is worrisome, particularly given the contemporaneous moves in some countries to reduce the supply of labor input by cutting weekly working hours," the BIS wrote in its report.

The bank warned that pension and welfare spending could jeopardize countries' fiscal standing if they were not curbed more effectively.

"Rising pension and healthcare obligations mean that fiscal balances could deteriorate sharply in future decades," it said. "The prospect of such a deterioration combined with high government debt imply that medium-term fiscal sustainability is not yet assured."

Italy's debt, which has been inflated by years of high government spending, runs at more than twice the level tolerated for the single European currency that Italy is set to join in January. Debt coded last year at 121.6 percent of gross domestic product.

The government this year has shaved some 4 trillion lire (\$2.3 billion) off its annual pension tab to drive the debt down, about half the saving it originally intended.

To meet the terms for the single currency, countries must slash their debt and deficit in a lasting, or sustainable, way. Countries overshooting limits set on both of those items risk hefty fines.

Continued from Page 1

wave of big mergers. Intel stock fell 37.5 cents to close at \$69.4375 on the Nasdaq stock market.

The FTC filing against the Santa Clara, California, company was relatively narrow in scope, however. "They wanted to bring a case that we are certain they can win," an industry source told Reuters.

Even if the agency prevails — and Mr. Barrett said he would fight the suit to the Supreme Court if necessary — possible remedies appear unlikely to seriously shift the landscape of the microprocessor industry.

Acer Computer and Packard Bell. The commission had determined earlier that Intel holds monopoly power, which is not unlawful unless the commission also finds that the company abused that power.

Intel has argued that it has a right not to give advance proprietary information to customers if they refuse to share their intellectual property. The company has argued that neither intergraph nor other firms had shown that they were harmed by any withholding of data.

The sense among antitrust lawyers, however, appeared to be that Intel did not have a strong case.

"Exclusive dealing is O.K. if you're small and have little market power," Robert Litan, a former Justice Department lawyer, told *The Washington Post*. "But when you're the only kid on the block and everybody has to come to you, it's impermissible."

The initial FTC lawsuit is expected to be heard by an administrative law judge who, while independent, is an FTC employee.

THE LIVING LEGEND



gérald gentar

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EMERGE CAPITAL

Société d'Investissement à Capital variable
69, route d'Esch, L-1470 LUXEMBOURG
R.C. Luxembourg B-46530

To our shareholders

We have the honour to invite you to attend the

ANNUAL GENERAL MEETING

of shareholders of our company, which will take place at the offices of Banquer Internationale à Luxembourg, 69, route d'Esch, L-1470 Luxembourg, on June 24, 1998 at 4:00 p.m. for the purpose of considering and voting upon the following agenda:

1. Report of the Board of Directors and of the Independent Auditor ;
2. Approval of the Statement of Net Assets and of the Statement of Operations as at February 28, 1998 ; allocation of the results ;
3. Discharge to the Directors ;
4. Statutory appointments ;
5. Miscellaneous.

Resolutions on the agenda of the annual general meeting will require a quorum and will be taken at the majority of the votes expressed or represented at the meeting.

In order to attend the meeting, the owners of bearer shares will have to deposit their shares, five clear days before the meeting with Banque Internationale à Luxembourg, 63, route d'Esch, L-1370 Luxembourg.

THE BOARD OF DIRECTORS.

EXOR
GROUP

Registered Office: 22-24, Boulevard Royal, 2449 Luxembourg
R. C. Luxembourg B-6734

**NOTICE TO SHAREHOLDERS
PAYMENT OF DIVIDEND**

The annual general meeting of shareholders held on June 3, 1998, resolved to pay a dividend of US\$ 3.00 per ordinary share and US\$ 3.45 per preferred share for the year ended December 31, 1997.

Since an interim dividend of US\$ 0.85 per ordinary share and US\$ 0.95 per preferred share was paid on December 9, 1997, a final amount of US\$ 2.15 per ordinary share and of US\$ 2.50 per preferred share will be paid.

Such final dividend will be payable, subject to the laws and regulations applicable in each country, starting June 11, 1998, against surrender of coupon no. 2 of the ordinary share certificates and coupon no. 2 of the preferred share certificates, at the offices of the paying agents listed below:

- in Luxembourg: Banque Internationale à Luxembourg;
- in Italy: all the leading banks;
- in Switzerland: Cr dit Suisse, Banca Commerciale Italiana (Suisse);
- in France: Lazard Fr res & Cie.;
- in the Federal Republic of Germany: Commerzbank;
- in Great Britain: SBC Warburg, Lazard Brothers & Co.;
- in the Netherlands: ABN-AMRO Bank;
- in Belgium: Banque Bruxelles Lambert.

The Principal Paying Agent
Banque Internationale à Luxembourg
Société Anonyme

Johansson Concedes Defeat in Heated Race

already visited and ridden over these climbs this spring, was heading toward the only spot he did not yet know, the 53 kilometers (39 miles) between Montceau les Mines and Le Creusot where the final time trial will be held a day before the finish in Paris. Often, that time trial decides the winner.

SPORTS

Bulls Humiliate Jazz With Stifling Defense

In 96-54 Blowout, Utah's Score Is a Record Low

By Selena Roberts
New York Times Service

CHICAGO — There is something crusty and hardened about Jerry Sloan, the Utah Jazz coach, something that is as rugged as the farm life he prefers.

Out of this personality was born a player who used to crash to the floor for every loose ball and defend with a clenched jaw as a Chicago Bull, once upon a time.

So it had to rip at his callous fiber to see how un-equipped his Jazz team was to counter the snarling defense of a Bulls team that all but kicked sand in the face of his passive players Sunday night at the United Center.

With their crew cuts, Scout hedges and good manners, the Jazz played the part of a team from the Western Conference typically overwhelmed by a physical East team that hit and hard.

When it was over, the Jazz went whimpering away after being humiliated, 96-54, in Game 3 of the National Basketball Association finals.

The Bulls now have a 2-1 lead in the four-of-seven games series. The 54 points was the lowest score in any National Basketball Association game since the introduction of the shot clock, breaking the previous record, 55, set by Indiana in March. It was 17 points lower than the lowest ever score to a finals game — most recently by Houston against Boston in 1981. The 42-

point margin was the largest in an NBA finals game.

The Jazz were simply bludgeoned by an aggressive defense that left the team with 26 turnovers, and pushed aside as it found itself on the wimpy side of a 50-38 rebounding

NBA FINALS

CHICAGO 96, UTAH 54

Utah's 54 points was a record low in an NBA finals game. The Bulls' defense was stifling, leading to 26 turnovers for the Jazz. The Bulls' defense was stifling, leading to 26 turnovers for the Jazz.

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They got all the loose balls, all the offensive rebounds, and we turned the ball over.

Instead of countering with toughness, the Jazz settled for passive jumpers, rushed their plays and fell right into the hands of a Bulls team that was driving to the basket and pressuring the ball.

Early on, Ron Harper and Scottie Pippen applied ball pressure that overwhelmed the calmest of Jazz players, John Stockton. At times, they would double up on Stockton at half court, cutting his ability to get his team into a pick-and-roll mode. The more pressure Harper and Pippen applied, the more Stockton unraveled.

By the end of the first half, Stockton had an uncharacteristic four turnovers. "We didn't respond by gritting our teeth and executing despite their pressure," Stockton said. "We tried to do it on our own way, but that didn't work. Then everything just snowballed."

The Bulls did not let up. Pippen was relentless as he roved the court, using his long arms to disrupt Stockton's passing lanes and to interrupt any driving layups by the Jazz. At one point, he planted his body in front of a charging Karl Malone and took a charge in the second quarter just as the Jazz started to wobble.

"I think that kind of thing is a key for us," Pippen said. "I'm roaming on defense in order to stop him from getting to the basket."

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The Bulls' Scottie Pippen, left, and Luc Longley smothering Utah's Karl Malone. Chicago leads, 2-1.

"We don't have any excuses at all," Malone said. "We just got beat."

The Bulls stopped the Jazz with a defense that was quick and irritating, especially when it came to Malone. After Malone made his first six shots — the bulk of which came around an immobile Luc Longley in the first quarter — coach Phil Jackson sent Dennis Rodman onto the scene at the end of the first quarter.

Once Rodman stepped onto the floor, Malone lost his edge. He made just two of his next five shots and had seven turnovers.

"I thought Luc played him real soft," Jackson said. "I put in Dennis, and they never really got anything started with Karl on the post. From there on out, Dennis just shut down his touches."

As Pippen, Harper and Rodman applied pressure, Toni Kukoc was throwing himself on the floor after loose balls and reaching in to strip the Jazz. He ended the game with six rebounds and four steals.

He was the perfect complement to a defense that left the Jazz looking just like any other team from the West usually looked who faced with the grizzled teams from the East: physically outmatched.

"I don't know if I've ever seen a team play better defensively," Sloan said. "They ate us alive."

Utah's 54 points was a record low in an NBA finals game. The Bulls' defense was stifling, leading to 26 turnovers for the Jazz. The Bulls' defense was stifling, leading to 26 turnovers for the Jazz.

Angels Win a Weird One

Rockies' Shortstop, in as Catcher, Muffs a Wild Pitch

The Associated Press

LOS ANGELES — As Darin Erstad drifted under Dante Bichette's towering fly to shallow left field with two outs in the ninth inning, many of the Anaheim Angels fans cheered and started scurrying for the exits.

But the Anaheim outfielder began moving to his left, then his right, then stumbled around

Thompson pitched a career-best three-hitter and Bobby Higginson and Tony Clark homered for Detroit.

Astros 7, Royals 1 In Houston, Shane Reynolds (7-3) pitched an eight-hitter and Jeff Bagwell had three extra-base hits for Houston. Reynolds won his fourth consecutive start by pitching his third complete game.

Dodgers 7, Mariners 4 In Seattle, Gary Sheffield and Eric Karros each hit home runs and Darrell Dreifort won for the fourth time to five games. Ken Griffey Jr. hit a two-run homer, his American League-leading 24th, and Seattle's major league-leading 100th.

Diamondbacks 12, Athletics 4 Devon White went 4 for 6 with a three-run homer and Yamil Benitez added a homer as Arizona snapped a losing streak by winning in Oakland.

Red Sox 5, Mets 0 In Boston, Steve Avery (3-1) had his best start in two seasons with Boston, pitching seven shutout innings. Avery, trying to regain the form that made him one of baseball's best left-handers in the early 1990s, had his second strong outing to four starts since he was recalled from Triple-A Pawtucket.

Giants 6, Cardinals 3 Brad Lidge and Jeff Kent each homered as San Francisco overcame a four-run deficit to win in St. Louis. Mark McGwire went 2 for 3 with two doubles and two walks — one intentional — for the Cardinals, who have lost eight of nine.

In games reported in late editions Monday:

Indians 6, Reds 1 Dave Burba got even with the Cincinnati Reds, the team that traded him on the eve of opening day, when he became the first Cleveland Indians pitcher in 26 years to hit a home run.

In the fifth inning, he put the Indians ahead to stay by hitting his third career homer, a two-run shot, in the fifth inning. It was the first homer by a Cleveland pitcher since Steve Dunning cooed on Sept. 19, 1972.

Tens of thousands of Indians fans made the trip in southern Ohio for the weekend series, bringing a playoff atmosphere to Cinergy Field. Attendance for the three-game series was 144,917, Cincinnati's best since a series against Los Angeles in September 1974.

Yankees 4, Marlins 1 In New York, David Coe, who missed his last start when he was hit on the hand by his mother's dog, pitched a two-hitter and struck out a season-high 14.

Twins 3, Pirates 2 In Pittsburgh, Matt Lawton's go-ahead pinch-hit single in the seventh inning ended the seven-game winning streaks of both Jason Schmidt and the Pirates.

SCOREBOARD

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

New York	44	13	.772	—
Boston	39	25	.609	10 1/2
Toronto	31	31	.500	15 1/2
Baltimore	29	33	.469	17 1/2
Tampa Bay	26	35	.426	20

CENTRAL DIVISION

CENTRAL DIVISION

Chicago	24	36	.400	12½
Detroit	23	35	.397	12½
Kansas City	22	38	.367	14½
WEST DIVISION				
Texas	37	24	.607	—
Anaheim	34	26	.567	7½

WEST DIVISION

NATIONAL LEAGUE				
EAST DIVISION				
	W	L	Pct.	GB
Atlanta	44	19	.693	—
New York	33	24	.579	8
Philadelphia	28	31	.475	14

NATIONAL LEAGUE

EAST DIVISION

Houston	37	24	.607	—
Pittsburgh	31	31	.500	6 1/2
Milwaukee	29	30	.492	7
St. Louis	29	32	.475	8
Cincinnati	28	25	.444	10
WEST DIVISION				
San Francisco	30	24	.559	—

CENTRAL DIVISION

W	L	Pct.	GB	
Chicago	37	24	.607	0
Houston	31	31	.500	6 1/2
Pittsburgh	29	33	.469	7 1/2
St. Louis	29	32	.475	8 1/2
Cincinnati	28	25	.444	10 1/2

WEST DIVISION

A small, stylized illustration of a person's head and shoulders, looking out over a landscape with hills and a body of water under a cloudy sky. The person has a simple, rounded face with a small tuft of hair on top. The background shows a horizon line with rolling hills and a body of water, all rendered in a minimalist, line-art style.

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

Philadelphia	600	100	600-1	10 0
Toronto	600	210	600-3	9 0
Schilling and Lieberthal; Carpenter, Plasoc				
N. R. Myers (9) and Doleandra, K.				
Brown (9) W-Carpenter				2-2
Starting 6:35 P. M. - 11:00				

CENTRAL DIVISION

Burba, Plunk (7), Assenmacher (8), M. Jackson (9) and Borders; Klingenberg, Graves (8), Sullivan (9) and Taubensee.
—Burba, 8-4, L—Klingenberg, 0-1.
Rs—Cleveland, Fryman (9), Burba (1).

WEST DIVISION

Powell (8) and Zauri Cons. Girardi, W—						
one, 8-1. L—Dempster, 0-2. HRs—Yankees.						
Neff (7), T. Martinez (8), B. Williams (9).						
Heaps	221	002	—9	14	0	
Wittmore	040	030	003	—0	4	0
G.Maddux and Ed Perez Drabek, Mills						

NATIONAL LEAGUE

EAST DIVISION

100	010	000-2	2	2
Tewksbury, Serafini (6), Trumbley (7), Windell (7), Aguilera (9) and J.V. Valentin: Schmidt, Looiza (8) and Kendall. V-Serafini, 2-0. L-Schmidt, 8-2. V-Aguilera (71).				
200	110	020-4	7	1

CENTRAL DIVISION

31. A. Royes (8), M. Myers (8) and Matheny.
J. Thompson, 4-6. L. Woodward, 3-4. HRs-

WEST DIVISION

MOM WON'T LET ME
HAVE A DOG..

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

ernandez (9), A. Lopez (10) and DiFede.					
—A. Lopez, 2-1. L—Kline, 1-3. HR—Tampa					
oy, McCracken (5).					
enses City	001	000	000—1	8	1
ouston	022	200	022—7	11	0
Pittsley, Bevil (4), Honey (5), Pichardo (7),					

CENTRAL DIVISION

H.R.S.—Houston, DeBel (8), Bogwell (9).				
White Sox	199	199	500—7	11 0
Cubs	503	230	800—13	14 0
Siroka, T. Castillo (3), Baldwin (4),				
Ordham (7), Simas (8) and Krevetz				
Gonzalez, Streenstra (7), Mutholland (7),				
McIntosh (10) and Sammis W. to Gonzalez, S.				

WEST DIVISION

San Diego	101	840	865—17	15	1
Los Angeles	102	800	302—8	9	1
Langston, C. Reyes (6), Miceli (7), Hoffman (9) and Romero, C. Hernandez (8); Witt, Gunderson (7), D. Patterson (8),					

NATIONAL LEAGUE

EAST DIVISION

Los Angeles	100	105	008-7	12 2
Seattle	000	000	103-4	13 1
Orelford, Guthrie (9), Radinsky (9), Osuna (7) and C. Johnson; Moyer, B. Wells (6), Poljaric (8), McCarthy (9) and D. Wilson, V-Drelford, 4-5. L-Moyer, 3-6. Sv-Osuna 1-0. H-B-E-Joe Jackson, Sheffield (9). Karris				

CENTRAL DIVISION

Record	000	048	580—4	6	1
Bn.Anderson, Telemaco (4), R. Springer					

WEST DIVISION

YOUR MOM
LET YOU
HAVE A DOG?

DON'T
KNOW

BASEBALL

MAJOR LEAGUE STANDINGS

AMERICAN LEAGUE

EAST DIVISION

Y. Akiba	008	000	000—0	4	0
Boston	004	010	000—5	8	1
Yoshii, Huzak (6), Cook (7), Rojas (8) and					
Castillo, Totum (8), Avery, Garcia (8) and					
Arriagada, W-Avery, 3-1, 1-Yoshii, 4-2,					

CENTRAL DIVISION

Jim Wright, Oipota (9) and Manwaring, J. Reed (9), N. Perez (9); Washburn, Hasegawa (9), Holtz (9), DeLucia (9), Cadaret (9) and Abbeck, W.—Cadaret, 1-0. L.—Oipota, 1-2.

NATIONAL LEAGUE

WEST DIVISION

Gardner, Johnstone (7), Nen (9) and B. Johnson Mercker, Aybar (7) and Pagnuzzi, Simpkin (7). W—Gardner, 5-2. L—Mercker, 4-5. Nen (18). HRs—San Francisco, J. Bert (7), B. Johnson (9).

NATIONAL LEAGUE

EAST DIVISION

SUNDAY IN BERLIN, GERMANY
FINAL
United States 71, Russia 65
FINAL STANDINGS: 1. United States; 2. Russia; 3. Australia; 4. Brazil; 5. Spain; 6.

CENTRAL DIVISION

area: 14. Senegal; 15. Argentina; 16. Congo.

WEST DIVISION

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